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Northern Ireland

Following the murder of the Ulster Unionist Member of Parliament, the Reverend Robert Bradford, by the Provisional IRA, the Secretary of State for Northern Ireland has said that the aim of the terrorists was to intensify sectarian divisions within the community as a means of helping their long-term objectives. He appealed to the people of Northern Ireland for information and positive help in eradicating terrorism.

After a 'day of action' and paramilitary demonstrations by Unionist supporters the Secretary of State has said that private armies would not be allowed to take over from the security forces.

MURDER OF THE REVEREND ROBERT BRADFORD

The Reverend Robert Bradford, Ulster Unionist Member of Parliament for Belfast South, was killed by Provisional IRA terrorists on 14 November while holding a 'clinic' in a local community centre. The caretaker of the centre, Mr Kenneth Campbell, was also killed. Five terrorists took part in the killings and were armed with a variety of weapons, including a sub-machine gun. Mr Bradford's death was at the end of a week in which attacks, principally on members or former members of the security forces, resulted in three people being killed and three very seriously injured.

In a statement on the same day the Secretary of State for Northern Ireland, Mr James Prior, said that 'the cold-blooded murder of our elected Member of Parliament' would be seen for what it was: 'a deliberate attempt by evil men to cause, within a community which has suffered so long for so much, even further community tension, leading in turn to counter-terrorism. The sufferers will be the great body of decent people in Northern Ireland.' Mr Prior said he could not emphasise too strongly the need to 'avoid falling into this cynical trap'. He stressed the Government's determination to bring to an end 'the cancer of terrorism' and appealed to everyone to remain calm and to place their trust in the security forces.

In a tribute to Mr Bradford in the House of Commons on 16 November (*Hansard*, Vol 13, No 9, cols 19-21), the Prime Minister, Mrs Margaret Thatcher, said that the Government would 'pursue with the utmost vigour those who committed this wicked crime and . . . persevere in our duty to rid our country of the evil of terrorism'.

SECURITY SITUATION

In a subsequent statement on the security situation (cols 23-9), Mr Prior said that the aim of the terrorists was to stimulate and intensify sectarian hatred to create the chaos which they believed would help their long-term objectives. He was looking at ways to make the security forces more effective. The Chief Constable and General Officer Commanding had told him that they did not need new laws or more resources. What they needed was information, positive help and co-operation from everyone in Northern Ireland.

Support of the People

Mr Prior said that he was convinced that the way to defeat terrorism was to gain the support of all people in Northern Ireland, whatever their political or religious convictions, for the simple proposition that murder must be opposed and murderers arrested and brought to trial. This meant more than standing aside or not actively supporting the terrorists: it had to involve positive support for the security forces in their fundamental task of protecting life. He appealed for that active co-operation, particularly from those people in Northern Ireland who had hesitated, from whatever reason in the past, to provide information. What the terrorists feared most was a community resolutely united against them.

Among members speaking in support of Mr Prior, Mr Gerard Fitt, Independent Socialist member for Belfast West, said that the Catholic community in Northern Ireland, through its spokesmen – the Catholic Church, political leaders and others – were at one with the Government in its fight to eradicate terrorism. The Catholic leaders in Northern Ireland were only too well aware of the situation facing the Protestant community and would do 'everything in their power to co-operate with the Government to bring the terrible events to an end'.

Mr Prior's statement was repeatedly interrupted by the leader of the Democratic Unionist Party, the Reverend Ian Paisley, and the two other Democratic Unionist members. Mr Paisley said later that he would make normal government impossible in Northern Ireland and would organise a 'third force' of civilian volunteers to defend the Protestant community; he also called for a 'day of action'. This took place on 24 November with considerable industrial disruption, demonstrations,

and a parade of Unionist supporters in paramilitary uniform.

Government's Responsibility

In another statement issued on 24 November Mr Prior reaffirmed the Government's acceptance of its responsibility to stand against terrorism and lawlessness in all its forms. The security forces and their commanders had the total confidence of the Government, which would always consider concrete suggestions from the public and their elected representatives for improvements in security. Generalised criticism or abuse of those responsible for the conduct of security operations only assisted the IRA. The Government would not allow private armies to take over the work of the police and the Army, nor would it adopt methods which abandoned the rule of law or which were intended to punish the innocent.

It was the inescapable duty of all to give the security forces any information they might have about those who planned or committed acts of terrorism and murder. Those who failed to do this made themselves supporters of terrorism and murder.

The economy of Northern Ireland was at grave risk. There was no hope of its recovery if the Province was a place that its own people wished to make ungovernable. Northern Ireland could not exist at any tolerable standard of living unless it could demonstrate to the rest of the United Kingdom and the world at large that its population and, in particular, its elected representatives respected the authority of the Government.

Mr Prior called on all the people of Northern Ireland and all their elected representatives, whatever their differences, to join him in the task of bringing peace and prosperity to the Province.

RELATIONS WITH THE IRISH REPUBLIC

In his statement of 24 November, Mr Prior also restated the Government's views on co-operation with the Irish Republic. The Government had no plan to 'push Northern Ireland into a united Ireland' and had never had any such plan. Those who claimed that such plans existed could produce no evidence of them and only stirred up groundless fears. The Government was responsible for the conduct of the external affairs of the United Kingdom and would discharge that responsibility in the interests of all of the people of the United Kingdom. It was in the interests of the people of the United Kingdom that there should be close and friendly relations with the Government of the Irish Republic, particularly on security.

By-election and State of the Parties

Details of the result of a recent by-election and the present state of the parties in the House of Commons are given below.

The Social Democratic-Liberal Alliance gained the seat at Crosby in a parliamentary by-election on 26 November. The seat became vacant following the death in October of the Conservative MP, Sir Graham Page. The Alliance candidate, Mrs Shirley Williams, who is a former Labour cabinet minister and co-founder of the Social Democratic Party (SDP – see p 88), won by a majority of 5,289 votes. Mrs Williams is the first MP to be directly elected as a member of the SDP. The results were as follows:

S. Williams (Social Democratic-Liberal Alliance)	28,118
J. Butcher (Conservative)	22,829
J. Backhouse (Labour)	5,450

Six other candidates between them received 900 votes; they and the Labour candidate all lost their deposits; 68·9 per cent of the electorate voted.

State of the Parties

Following the by-election and the death of the Official Unionist MP for Belfast South, the Reverend Robert Bradford, who was killed in November by the Provisional IRA, the state of the parties in the House of Commons is now as follows:

Conservative	334
Labour	241[1]
Social Democratic	26
Liberal	12
Scottish National	2
Plaid Cymru (Welsh Nationalist)	2
Official Unionist (Northern Ireland)	4
Democratic Unionist (Northern Ireland)	3
United Ulster (Northern Ireland)	1
Ulster Progressive Unionist (Northern Ireland)	1
Independent Socialist (Northern Ireland)	1
Anti-H-Block Proxy Prisoner (Northern Ireland)	1
Independent Labour	1
Other	1[1]
Vacant	1
TOTAL	631

The four remaining seats are held by the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means) who do not vote except in their official capacity in the event of a tie. The Government majority over all other parties is 38.

Shorter Note

CIVIL SERVICE DEPARTMENT

The disbandment of the Civil Service Department and the distribution of its functions between the Treasury and the Cabinet Office were announced by the Prime Minister, Mrs Margaret Thatcher, in the House of Commons on 12 November. The

[1]Since November four MPs have resigned from the Labour Party: two have joined the SDP; one sits in the House as Independent Labour; and the fourth, who has applied to join the SDP, has announced his intention of resigning his seat, and fighting a by-election in his own constituency.

Prime Minister said that the changes were being made to help maintain the progress which the Government had made in the last two-and-a-half years in controlling the cost and size of the Civil Service and in improving its efficiency.

One consequence of setting up the Civil Service Department in 1968 had been to divorce central responsibility for the control of manpower from responsibility for the control of government expenditure. The Government now proposed to reunify responsibility for the central allocation and control of all resources and to make the Treasury responsible for control over Civil Service manpower and remuneration. Mr Barney Hayhoe, formerly Minister of State at the Civil Service Department, would now be appointed Minister of State at the Treasury to help discharge these responsibilities, and would continue to answer in the House of Commons for the whole range of Civil Service matters. The other responsibilities of the Civil Service Department – the organisation, management and overall efficiency of the Home Civil Service and policy on recruitment, training and other personnel management matters – would be discharged by a new Management and Personnel Department alongside the Cabinet Office. The Prime Minister would continue as Minister for the Civil Service, and the Chancellor of the Duchy of Lancaster, Baroness Young, would continue to discharge the day-to-day responsibilities, as well as answer in the House of Lords for the whole range of Civil Service matters.

Source: *Hansard,* Vol 12, No 7, cols 658-66.

EXTERNAL AFFAIRS AND DEFENCE

European Council

Discussions at the European Council meeting in London on 26 and 27 November focused on matters arising out of the May 1980 agreement on Britain's budgetary contributions (see pp 182-3, 1980), notably reform of the Common Agricultural Policy, the development of economic, regional and social policies, and the problem of the Community budget. The Council was chaired by the Prime Minister.

PRIME MINISTER'S STATEMENT

Reporting to the House of Commons on 30 November (*Hansard*, Vol 14, No 19, cols 21-30), the Prime Minister, Mrs Margaret Thatcher, said that further work was required on four matters: 'These are, first, the problems arising from the Community's milk surplus; secondly, the way to deal with Mediterranean agriculture; thirdly, the share of agricultural expenditure within the Community budget; and, fourthly, how to adjust the budget so that no member state is put into an unacceptable financial situation.' Foreign ministers would have a special meeting within the next four weeks to carry forward the work and submit recommendations to heads of Government. In this way it was hoped to reach an understanding on these matters before the next meeting of the Council at the end of March 1982. The Prime Minister continued: 'It is understood that agreement on each issue covered by the [May 1980] mandate is, and will be, conditional on an overall solution. There are important issues at stake for all member states and not least for the United Kingdom. It will take time and further effort to get a satisfactory answer.' Expressing disappointment that more specific progress had not been made, Mrs Thatcher said that the meeting had helped to lay the basis for difficult and far-reaching decisions that had to be taken soon.

On the economic difficulties facing the Community at a time of continuing world recession, the Prime Minister said that there had been general endorsement for the views put forward by the European Commission, in particular that the objectives of fighting inflation and unemployment needed determined policies to bring public deficits under control and to keep production, distribution and unit labour costs in check. Such policies 'would encourage interest rates to ease and would help productive investment to expand'. The Council was agreed on the need to give special attention to youth unemployment and for more training for young people.

Answering questions about Federal German and Italian proposals on European union,[1] Mrs Thatcher commented that they had to be considered very carefully. They involved new arrangements for political co-operation – even on security matters – and this did not suit all member states, since at least one was neutral. In addition, new councils for judicial and cultural matters and increased powers for the European Parliament had been proposed. The Prime Minister emphasised that consideration had to be given to these ideas by foreign ministers before they returned to the Council, and that the House of Commons and its specialist committees, too, would also wish to examine them carefully.

Asked if Britain would join the European Monetary System (EMS – see p 5, 1979), Mrs Thatcher said that the System would be considered by the Council at its next meeting. Because of the pound's nature as a petro-currency its exchange rate had fluctuated considerably, and in this respect Britain differed from the other member states. If Britain were to join the EMS exchange rate system, the rates at which it would enter needed to be decided, and this would be extremely difficult given recent fluctuations in the pound's exchange rate against the deutschemark and the dollar. The Prime Minister added that she would need to be convinced that there was positive advantage for Britain in joining the EMS. One of the reasons for the establishment of the EMS was that it would require all countries to run sound financial policies and that firm and stable exchange rates would make it much more necessary to have such policies. In practice, however, this had not been altogether true. Mrs Thatcher emphasised that there was no substitute for member states running their own economies prop-

[1]In speeches to the European Parliament on 19 November, the Federal German and the Italian foreign ministers outlined their proposals designed to lay the foundations of a European political union. These provide for the expansion of political co-operation on foreign policy (including its extension to cover aspects of security policy), the merging of the decision-taking structures of the Community and political co-operation under the responsibility of the European Council, a strengthening of the European Parliament's participatory and controlling functions, and the improvement of Community decision-taking through majority voting (as envisaged in the treaties) with the invocation of 'vital interests' being used only in exceptional circumstances. In addition, new councils concerning judicial and cultural matters are proposed.

erly if they wanted stable exchange rates and a stable Europe.

CONCLUSIONS OF THE COUNCIL

The conclusions of the Council meeting, issued on 27 December, took note of the discussions on the reforms required under the May 1980 agreement and contained agreed statements on a number of foreign policy topics. In addition, it took note of the German and Italian proposals on European union and recognised 'the importance of strengthening economic integration in parallel with political development'. It invited foreign ministers to examine and clarify the proposals and to report back to a future meeting.

Disarmament

The Chancellor of the Federal Republic of Germany gave the participants an account of his conversations with President Brezhnev in Bonn on 22-25 November. The Council 'were in full agreement on the significance of this meeting, and on the need to keep channels of East-West communication open between governments at all times'. Member states also welcomed the United States' commitment (announced in President Reagan's speech of 18 November – see below) to the goal of major disarmament by means of mutual reductions in nuclear and conventional forces and the establishment of confidence-building measures. They expressed the hope that the negotiations between the United States and the Soviet Union on intermediate range nuclear weapons would lead to early and positive results.

The Council considered the state of negotiations in Madrid on security and co-operation in Europe (see pp 351-5, 1980) and expressed the desire 'for a positive outcome in the form of a substantive and balanced document by the end of the year, including agreement on a precise mandate for a conference on disarmament in Europe to negotiate confidence-building measures in the whole of Europe'. Member states were ready to make every effort towards this end and looked to all participants at Madrid to show the same positive spirit.

Poland

On Poland the Council took note of past and current Community programmes to supply food at special prices and reaffirmed 'their willingness, within the limits of the means of the Community and its member states and in collaboration with others, to respond to the requests of the Polish government for continued support for the efforts of the Polish people to promote the recovery of their national economy'. The rescheduling of the Polish debt and the provision of new credit would make an important contribution to that end (see p 328).

Afghanistan

The Council noted that 'in flagrant defiance of international opinion as expressed in three successive resolutions passed by overwhelming majorities of the General Assembly of the United Nations, the Soviet occupation of Afghanistan continued, with its associated repression and bloodshed'. Agreeing that the situation was immensely damaging to international trust and confidence, member states confirmed their belief that their proposals of 30 June (see pp 201-2) offered 'a reasonable and practical approach to solving the problem'.

Spain and Portugal

Referring to the membership applications of Spain and Portugal, the Council emphasised the determination of the Community to bring negotiations to a successful conclusion and stressed the importance of continuing progress. It recalled 'the acceptance by the applicant countries that they [would] accede on the basis of the Community treaties and subordinate legislation in force on the date of accession, subject only to such transitional arrangements as may be agreed'. There was a need for the Community and the acceding countries 'to make good use of the period until accession for careful preparations for the Community's further enlargement by introducing the necessary reforms so that the potential benefits for both sides [could] be realised'. In the Community's deliberations on its internal development, the Council agreed that 'regard would need to be paid to the importance of the accession of Spain and Portugal'. The Council also stressed the importance of keeping the two countries closely informed about developments in political co-operation (see pp 326-7), and looked forward to the day when their representatives took their places in the Council as full and equal members.

Arms Control Talks

Negotiations between the United States and the Soviet Union on theatre nuclear forces began in Geneva on 30 November. Britain has welcomed the talks and expressed full support for United States proposals for substantial reductions in nuclear weaponry based in Europe.

The United States' negotiating position for the talks has been developed in the light of full consultations in the Special Consultative Group, the body responsible for discussing the limitation of theatre nuclear forces within the North Atlantic Treaty Organisation (NATO), and has the support of all members of the Alliance. As stated by President Reagan on 18 November, in a speech which outlined a four-point programme for arms reduction covering all nuclear and conventional forces, this involves an offer by the United States to cancel its planned deployment in Europe of Pershing II and ground-launched cruise missiles if the Soviet Union will dismantle its SS20, SS4 and SS5 missiles. This proposal reflects NATO's policy that, because of the diversity of theatre nuclear systems, the negotiations should proceed step by step and, in the first instance, concentrate on the newest and most threatening systems, namely land-based long-range missiles. [The other points

in President Reagan's proposal involve the start of strategic armaments talks that would seek substantial, equal, and verifiable reductions in nuclear arms; an agreement to achieve equality at lower levels of conventional forces in Europe; and a conference to develop effective measures to reduce the risks of surprise attack and the chance of war arising out of uncertainty or miscalculation.]

Answering questions in the House of Commons on 19 November (*Hansard*, Vol 13, No 12, cols 415-18), the Prime Minister, Mrs Margaret Thatcher, unreservedly welcomed President Reagan's 'great initiative in proposing not merely a limitation of nuclear arms but an actual reduction in both nuclear and conventional forces'. She hoped for a ready response from the Soviet Union and for negotiations that would be 'fruitful for us all and for our peoples'. Similarly, in the House of Lords on 25 November (*Hansard* (*HL*), Vol 425, No 10, cols 806-7), the Parliamentary Under-Secretary at the Foreign and Commonwealth Office, Lord Trefgarne, said that the Geneva negotiations offered the Soviet Union the opportunity to demonstrate that it too shared the West's objectives of achieving substantial reductions in nuclear weaponry in Europe.

Background

NATO has been concerned at the scale of the Soviet build-up since the early 1970s of a whole range of nuclear and conventional systems, but especially at the growth of Soviet long-range theatre nuclear systems with the introduction of the mobile SS20 missile equipped with three warheads. These missiles, first deployed in 1977, were estimated to number 120 in 1979 and now number 250, two-thirds of them being aimed at targets in Western Europe. In addition, the Soviet Union has 350 SS4 and SS5 missiles deployed, making a total of more than 1,100 warheads, and it had begun to introduce new short- and medium-range nuclear missiles, such as the SS21 and SS22, and large numbers of improved nuclear-capable aircraft (Soviet long-range nuclear-capable aircraft number some 400, of which 45 are modern supersonic Backfire bombers). In contrast, NATO's long-range theatre systems have remained unchanged throughout this period, numbering 226 United States F-111 and British Vulcan bombers.

In response to this growing imbalance, NATO agreed in December 1979 (see pp 10-14, 1979) a programme of modernisation of its long-range theatre nuclear forces, which were becoming vulnerable and obsolete. This consists of the deployment of 108 Pershing II missiles in the Federal Republic of Germany and of 464 ground-launched cruise missiles in Belgium, Britain, the Federal Republic of Germany, Italy and the Netherlands. (At the same time the United States agreed to a unilateral withdrawal of 1,000 nuclear warheads from Europe, completing this by December 1980.) Parallel to this programme, it was agreed that the United States should propose to the Soviet Union the negotiation of limitations on theatre nuclear forces and that these negotiations should start as soon as possible. They were to be undertaken bilaterally within the framework of the Strategic Arms Limitation Talks (SALT – see p 187, 1979) and their immediate objective was to be the establishment of limitations on land-based long-range theatre nuclear missile systems. NATO made clear also that its modernisation programme might be reviewed in the light of results achieved in the negotiations. This parallel approach has remained firm NATO policy since its agreement, and was most recently reaffirmed by NATO's Nuclear Planning Group meeting in Scotland in October.

The Soviet Union did not respond to the United States' offer of negotiations until July 1980, and, though brief talks were held in Geneva in November 1980, further contacts followed only after the new United States administration of President Reagan had completed a review of its policy. After preliminary exchanges in June and July 1981, the United States Secretary of State, Mr Alexander Haig, and the Soviet Foreign Minister, Mr Andrei Gromyko, met in New York in September and agreed that negotiations should begin on 30 November.

The main Soviet response to NATO's 1979 decision has been to propose a moratorium on the deployment of theatre nuclear systems by which the Soviet Union would freeze its forces at their present level provided that there were no new western deployments; that is, that NATO abandon its modernisation programme. On 23 November President Brezhnev, during his visit to the Federal Republic of Germany, repeated this proposal, suggesting that the moratorium should be agreed for the duration of the Geneva talks. If this were accepted, he added, the Soviet Union, as an act of goodwill, would unilaterally reduce some of its nuclear weapons based west of the Urals. (This is a reformulation of a Soviet offer of October 1979 to make some reductions in its theatre nuclear forces if NATO refrained from making any new deployments.) President Brezhnev also stated that the Soviet Union would be seeking radical cutbacks in theatre systems by both sides at the Geneva talks.

NATO has rejected the Soviet moratorium proposal (see p 140) since it would simply perpetuate the Soviet Union's massive superiority. It is also unacceptable because, since it is confined to the European theatre, it would permit the Soviet Union to maintain the threat to NATO by failing to limit systems, such as the SS20, capable of striking Western Europe from east of the Urals. Moreover, mobile systems like the SS20 and others could be rapidly moved forward to threaten Europe at a time of crisis. Thus Soviet offers to withdraw some of its SS20s from west of the Urals as distinct from dismantling them, have little appeal to NATO.

Another difference between the two sides is that, while NATO favours the step-by-step approach described above (see p 359), the Soviet Union wants the talks to cover not only land-based long-range missiles, but also United States (though not its own) 'forward based systems' (that is, United States carrier and land-based aircraft stationed in the European theatre), the United States Poseidon submarines assigned to

NATO's European command, and the British and French strategic systems.[1] While NATO is ready to consider negotiations on other theatre systems in due course, it believes that, unless a step-by-step approach is followed, the negotiations will become too complex and unwieldly. It also feels that the Soviet approach would divert attention away from the most threatening weapons – the land-based long-range forces.

Middle East

Britain has agreed to participate in a multinational peacekeeping force to be placed in Sinai when Israel withdraws from the remainder of the peninsula in April 1982 under the provisions of the 1979 Egypt-Israel peace treaty. The British Government has welcomed the principles contained in a peace plan put forward by Crown Prince Fahd of Saudi Arabia as a contribution to the search for a Middle East peace settlement.

Sinai Peacekeeping Force

The 1979 treaty (see pp 91-2, 1979) provided for agreed security arrangements after Israeli withdrawal, including the stationing of United Nations forces and observers in Sinai. In May 1981 the President of the Security Council indicated that the Council had failed to agree on a proposal to establish a UN force. In June, the United States, Egypt and Israel reached preliminary agreement on a multinational force, and on 3 August the ambassadors of Egypt and Israel to the United States signed a protocol in Washington providing for the establishment of the peacekeeping force, to be known as the Multinational Force and Observers (MFO). Under the protocol both signatories have to agree on the nations from which the Force is drawn. The Force will be directed by a Director-General who will, subject to the approval of the parties, appoint a Commander.

In a letter to the Egyptian and Israeli foreign ministers on 4 August, the United States Secretary of State, Mr Alexander Haig, said that, subject to consent by Congress, the United States would provide the Director-General, contribute an infantry battalion and a logistics support unit, and pay one-third of the Force's operating expenses. Subsequently, the United States Government asked Britain, France, Italy and the Netherlands and some other countries to provide a contribution to the Force.

British and Community Involvement

On 23 November the Lord Privy Seal, Mr Humphrey Atkins, informed the House of Commons (*Hansard*, Vol 13, No 14, cols 620-9) that the four Western powers, after consulting their partners in the European Community, had agreed, subject to agreement on practical and legal arrangements, to the requests of the Governments of Egypt, Israel and the United States to contribute to the MFO. This, he continued, was based on the understanding that:

1 The Force existed solely for the purpose of maintaining peace in Sinai following Israeli withdrawal and had no other role.

2 The Force was being established in its present form in the absence of a United Nations decision on an international force and its position would be reviewed should such a decision become possible.

3 Participation by the four Governments in the Force would not be taken either as committing them or excluding them from participation in such other international peacekeeping arrangements as had been or might be established in the region.

4 Participation in the Force by the four Governments was without prejudice to their well-known policies on other aspects of the problems of the area.

Mr Atkins also drew attention to a separate declaration by all ten member states of the European Community which said that the decision of the four Governments met 'the wish frequently expressed by members of the Community to facilitate any progress in the direction of a comprehensive peace settlement in the Middle East on the basis of mutual acceptance of the right to existence and security of all the states in the area and the need for the Palestinian people to exercise fully its right to self-determination'.

Mr Atkins described the decision as a symbol of Britain's determination 'to achieve a comprehensive peace settlement following negotiations between the parties which would bring justice for all the peoples and security for all the states of the area'. Britain welcomed the achievement of peace between Israel and Egypt and the israeli withdrawal from Sinai as the first steps towards the realisation of the call for withdrawal contained in Security Council resolution 242 which had specifically declared inadmissible the acquisition of territory by war. In the belief that the international community had to play its part, Britain was ready to participate, with the agreement of the parties, in such arrangements in the other occupied territories in the context of Israeli withdrawal. Support for arrangements associated with the implementation of the Egypt-Israel peace treaty, however, was 'quite distinct from and independent of the rest of the Camp David process'.

Mr Atkins said that Britain wanted to express its firm support for the Egyptian Government and people and its belief in the need for stability and continuity in Egypt. The decision to participate in the MFO followed from the Venice declaration of 1980 (see pp 202-3, 1980) and subsequent statements; this policy, while insisting on guarantees for the security of the state of Israel, placed equal emphasis on justice for the Palestinian people and their right to self-determination and also held that the Palestine Liberation Organisation had to be involved in the process leading to a comprehensive peace.

Noting that the bulk of the MFO was being provided by the United States, Fiji and Colombia,

[1]Since the negotiations are bilateral, the British and French strategic systems fall outside their scope. In the case of the British independent strategic system, its role is quite different from that of theatre nuclear forces (see pp 134-5).

Mr Atkins said that Britain had been asked for a small contingent of support troops and that its contribution would be about 100 men out of a total of approximately 2,500.

PRINCE FAHD'S PEACE PLAN

On 8 August the official Saudi Press Agency published a translation of Crown Prince Fahd's eight-point peace plan for the Middle East. The text is as follows:

'1 The withdrawal of Israel from all Arab lands occupied in 1967 including Arab Jerusalem.

'2 The dismantling of all the settlements set up by Israel in the Arab lands occupied in 1967.

'3 Guaranteeing freedom of worship and the practice of religious rituals by all creeds in the holy places.

'4 Confirming the rights of the Palestinian people and compensating the Palestinians who do not desire to return to their homeland.

'5 The West Bank and the Gaza Strip will be under the supervision of the United Nations for a provisional period not exceeding a few months.

'6 The rise of the independent Palestinian state with Jerusalem as its capital.

'7 The right of the states in the area to live in peace is to be assured.

'8 The United Nations or some of its member countries will undertake the implementation of such principles.'

Britain's Views

At the beginning of November, the Foreign and Commonwealth Secretary, Lord Carrington, visited Saudi Arabia in his capacity as President of the European Community Council of Ministers in order to discuss Prince Fahd's eight principles and other matters of mutual interest. Appearing before the House of Commons Foreign Affairs Committee on 25 November, Lord Carrington said that the eight points indicated Saudi support for a negotiated peace settlement and that the seventh point implicitly recognised Israel. He welcomed the Saudi plan as a basis for discussion since some points would have to be left for negotiation between the parties.

Speaking on 25 November in a debate in the House of Lords (*Hansard* (*HL*), Vol 425, No 10, cols 808-9), the Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, Lord Trefgarne, said that the British Government agreed with President Reagan's view that Prince Fahd's peace plan contained positive elements and could be a beginning point for negotiations. There was considerable common ground between the plan and the Venice principles, to which Britain remained committed as a framework on which a Middle East peace could eventually be built. With regard to the Camp David process (see pp 352-5, 1978), Lord Trefgarne said that it had important achievements to its credit, not least the establishment of peace between Egypt and Israel, and Israel's agreement to withdraw from Sinai. Something more might be needed, however, and that was why Britain was exploring further ways forward towards a basis for negotiations to which all could agree.

Lord Trefgarne also emphasised that Britain attached great importance to working with the United States in the Middle East and that both countries shared 'the common objective of a comprehensive peace settlement negotiated between the parties and ensuring security for Israel and a future for the Palestinians'. Britain was in no doubt that the United States had to continue playing a central role in Middle East peace efforts.

Economic Statement: a Summary

The Government expects the rate of inflation to fall to 10 per cent over the next year, the Chancellor of the Exchequer, Sir Geoffrey Howe, told the House of Commons on 2 December.[1] In a statement on public expenditure in 1982-83 and on economic prospects for 1982 the Chancellor announced, among other things, increased expenditure on employment measures and a rise in employees' National Insurance contributions.

The main proposals for public sector expenditure and changes in National Insurance contributions in 1982-83 are summarised below. A fuller account will appear in the January 1982 edition of *Survey of Current Affairs*.

Economic Forecast

The annual rate of inflation is expected to fall over the next year from its present level of about 12 per cent to some 10 per cent. Total output is expected to rise by about 1 per cent and manufacturing output by rather more.

Public Expenditure

As the Chancellor mentioned in his Budget statement (see p 98), the Government has changed the planning of public expenditure from volume terms to cash. Planned expenditure for 1982-83 will be about £115,000 million. Increases will be concentrated in four areas: local government, the nationalised industries, defence and employment.

Local Government

As it would be impracticable to eliminate overspending by local authorities in a single year, their current expenditure in 1982-83 will be permitted to increase by some £1,350 million. They will still, however, be required to make substantial economies. Rate support grant[2] from central government to local authorities in England will be reduced from 59 per cent to 56 per cent.

Nationalised Industries

The external financing limits of nationalised industries will be increased by £1,300 million in 1982-83.

[1] *Hansard*, Vol 14, No 21, cols 237-66.

[2] Rate support is a system whereby central government supplements the finances for current expenditure of local authorities so that they can provide services for which they are responsible to similar standards while reducing disparities in their rates.

Defence

Expenditure on defence in 1982-83 is to be raised by a further £480 million, which includes the cost of implementing the 1981 pay award for the armed forces.

Employment

About £150 million is to be added to the employment programme in 1982-83 (in addition to the £650 million announced in July – see p 230). A substantial proportion of the additional spending will go to help the young unemployed.

National Health Service

More of the cost of the health service will be financed by contributions and charges. The Government is to increase the health service contribution by 0·1 per cent. Two out of every three prescriptions will continue to be provided free of charge (to, among others, children under 16, pensioners and others with low incomes) but, where a charge is made, it will be raised from £1 to £1·30. There will be increased charges for dental and ophthalmic services (for which, also, there are 'free' categories).

Student Grants

Student grants in the next academic year will be raised by 4 per cent, in line with the pay increases envisaged for employees in the public services.

Benefits

National Insurance and social security benefits will be raised in line with the forecast movement in prices between November 1981 and November 1982, with the announcement of the new rates to be made, as usual, in the spring.

The increase in the retail prices index in the year ended November 1981 will probably be some two percentage points higher than the 10 per cent allowed for when calculating the 1981 uprating. For retirement and other long-term benefits (but not short-term benefits) the shortfall will be made good in the November 1982 uprating.

National Insurance Contributions

From April 1982 employees' National Insurance contributions will be raised from 7·75 per cent to 8·75 per cent of relevant earnings, with some increase for the self-employed. This will apply to weekly earnings within the range £29·50 to £220 instead of the existing £27 to £200.

Achievements in Tax Reform

The Government's achievements in its long-term plans for tax reform have included substantial reductions in income tax in order to increase work incentives; improvements in capital transfer tax, capital gains tax and development land tax; measures designed to encourage the creation of wealth, including the venture capital scheme and the business start-up scheme; and some simplification of the tax system. These and further moves were discussed by the Chief Secretary to the Treasury, Mr Leon Brittan, in a speech to the Westminster and City Programmes Conference on 18 November. Future priorities include possible changes in corporate taxation and rates and the computerisation of the Pay-As-You-Earn income tax system. In encouraging the creation of private and corporate wealth Britain's tax system compares favourably with those of many other countries.

Introduction

Mr Brittan began by reminding his audience that, at a Westminster and City Programmes Conference on taxation two years previously, the Chancellor of the Exchequer, Sir Geoffrey Howe, had stated three broad objectives for the Government's long-term approach to the tax system. First, there had to be a lightening of the burden of taxation, with the balance of taxation shifted away from earnings and, in order to improve work incentives, a reduction in 'the absurdly high marginal rates of tax'. Secondly, the tax system had to help rather than hinder the creation of wealth through saving and investment. Thirdly, it had to be made simpler, easier to understand and less costly in administrative resources, both for the authorities and for taxpayers.

Even in November 1979, Mr Brittan pointed out, the Chancellor had been able to report substantial progress in the first objective. The basic rate of income tax had been reduced by three pence; income tax thresholds had been increased by twice the amount needed to allow for inflation; the top rate of tax on earned income had been cut from 83 per cent to 60 per cent; and the starting point for higher rates of income tax had been raised substantially (see p 197, 1979, and p 118, 1980). Since these measures had been accompanied by the move to a unified rate for value added tax (see p 193, 1979), the Government had also moved towards switching the balance of taxation away from earnings and towards spending. 'Taken together, these measures were a dramatic step towards the first of our objectives – a reduced income tax burden to improve work incentives. But we accept of course that our inability to raise tax thresholds this year has, for the moment, worked in the opposite direction.' Mr Brittan felt that the Government's steps towards the other two objectives – the promotion of wealth creation and greater simplicity – had been 'individually less dramatic, but collectively no less significant'.

Capital Transfer Tax

The Government had made a point of correcting some of the worst features of capital transfer tax, Mr Brittan said. The Government may not have been able to go as far as it had wished but he was sure that it had already 'achieved a more soundly based structure for the tax than the one we inherited'. The threshold had been doubled, raising the starting point for liability from £25,000 to £50,000. It had been estimated that the effect of this would be to remove from liability at least a half of all estates. The Government had also doubled – from £100,000 to £200,000 – the exemption for bequests to charities.

The Government had this year 'made some equally important structural changes in capital transfer tax', Mr Brittan went on. It had become quite clear that, in its existing form, the tax was a deterrent to lifetime giving; in addition, the annual yield from the taxation of lifetime gifts had been only about £5 million. 'This was a most unsatisfactory state of affairs, since it is clearly important that property – particularly business property – should pass freely from one generation to another.' Accordingly, the Government had introduced this year a number of measures to improve the position. First, the scale of rates of tax on lifetime gifts had been recast so that the top rate was never more than two-thirds of the top rate for transfers on death. Secondly, in determining the rate to be charged on any transfer, only those made within the previous ten years were to be taken into account (cumulation had previously been over an indefinite period). Finally, the annual exemption for lifetime gifts had been increased from £2,000 to £3,000. 'Taken together, I am confident that these changes will make lifetime giving more attractive', Mr Brittan said.

He went on to point out that there had been, in recent years, a decline in the amount of land available for letting to tenant farmers, which was causing a good deal of concern. It had become increasingly difficult for newcomers to enter the industry; this bore particularly hard on young people with little capital who wished to make a career of farming. One reason, though not the only one, for this decline was the fact that, up to now, transfers of let agricultural land did not qualify for any relief from capital transfer tax whereas owner-occupied farm land qualified for 50 per cent relief. As a consequence, an owner of let land had a financial inducement to take it in hand as it fell vacant. To correct this imbalance, transfers of tenanted agricultural land would from now be given 20 per cent relief. Taking into account the different market prices of tenanted agricultural land and land with vacant possession, the tax burden on both would become broadly equal. In future, therefore, owners of agricultural land would be able to decide whether to let it out or to farm it themselves unswayed by fiscal considerations. 'This is as it ought to be', Mr Brittan commented.

Capital Gains Tax

The Government had also made significant improvements to capital gains tax. The annual

exemption limit had been raised from £1,000 to £3,000 of gains (see p 119, 1980), which removed from tax about half the cases that would otherwise have been liable. Moreover, by introducing general roll-over relief for gifts (extended this year to gifts into settlement), the double liability to capital gains tax and capital transfer tax on lifetime giving had been removed.

Development Land Tax

Mr Brittan went on to describe improvements introduced by the Government to make development land tax less damaging. The most important was the reduction in the rates of tax to 60 per cent and the increase in the annual exempt slice from £10,000 to £50,000 (see p 194, 1979). Charities had been exempted and provision made for advance assessment in order to reduce uncertainty. The Government had increased a number of allowances, perhaps the most important being the measure made this year to allow housebuilders to increase their acquisition costs by 50 per cent, instead of 15 per cent, in calculating the tax chargeable at the start of a residential development (see p 101).

The Creation of Wealth

In the context of the second objective – a tax system which encouraged the creation of wealth – there had been, in addition to the reform of capital taxes, the equally important introduction of a number of tax reliefs designed to encourage individuals to invest in business. The Finance Act 1980 had made some significant improvements to the existing tax relief for profit-sharing schemes and had introduced a new relief for savings-related share option schemes (see p 119, 1980). The results of the Government's measures to encourage employee share ownership could be seen from the fact that in May 1979, when the Government took office, there were about 30 employee share schemes which had been approved under the provisions giving tax relief; now, taking into account the additional relief introduced in 1980, the total was over 350. The number of employees involved had approximately doubled between the Government's first and second years of office. Applications for new schemes to be approved were being made at an encouraging rate despite the problems facing the corporate sector. The Government continued to regard it as highly important that employees at all levels should have the opportunity to build up a capital stake in their firm. It had introduced the venture capital scheme, whereby the Government offered to share the risk of investment in unquoted trading companies by allowing (subject to certain conditions) income tax relief on any capital losses on shares subscribed for by individuals (see p 120, 1980), and had extended this in 1981 to investment by companies (see p 103).

Mr Brittan thought that perhaps the most radical development in this context was the business start-up scheme, introduced in 1981, which allowed individuals to obtain income tax relief at their top rates on up to £10,000 a year invested in certain new businesses (see pp 103 and 231). 'This bold and imaginative scheme is without precedent in any other country. It has been quite deliberately focused on a very specific target – new businesses requiring modest amounts of risk capital during their early years. In so doing we have found a way through the difficulties which frustrated previous efforts in this and other countries to devise a tax incentive of this kind.' The Government had also been able to make the relief 'exceptionally generous'. Where an investor liable to income tax at the top rate subscribed for £10,000 of shares in any one year the Inland Revenue would repay tax up to £7,500; where an investor subscribed £30,000 over the three years of operation of the scheme, tax up to £22,500 would be repaid. Mr Brittan expressed the hope that 'investors will familiarise themselves with the scheme and that professional advisers and financial institutions will make every effort to match companies to investors, so that it can quickly play its part in creating new investment'.

Stock Relief

Mr Brittan felt that measures such as the business start-up scheme, taken alongside the reforms of income and capital taxes and steps to ease the burden on the small trader of collecting value added tax, had 'transformed the tax environment of the small business'. However, reforms had not been confined to the small firm. The Government had, for example, reformed the stock relief scheme, which had been 'causing serious concern for industry'. As a first step, it had introduced measures to ease the impact on business of clawback (under which tax relief was withdrawn when the value of stocks fell) by limiting the build-up of potential tax liabilities in companies' accounts (see p 196, 1979) and then, in the Finance Act 1980, by giving relief when clawback arose because stock levels were involuntarily reduced (the problem of 'temporary dips'). Even more fundamental changes were made by introducing a new scheme of relief in the Finance Act 1981 (see p 100), following the issue of a consultative document (see p 363, 1980), so that clawback was now a thing of the past for the normal continuing business.

Consultation

Mr Brittan explained that the issue of stock relief was one example of the way in which the Government had attempted to improve the quality of taxation legislation through wider consultation. Since June 1979 no fewer than 15 consultative documents on various aspects of taxation had been issued by the Inland Revenue. The process of consultation had not been restricted to the publication of formal documents. Consultation had taken place with the parties involved on the subjects of oil taxation, the business start-up scheme and value added tax, and the Government had considered the responses most carefully. 'Sometimes we are accused of not listening to the views that are put to us or of ignoring what we are told', Mr Brittan said. 'That is not true. We do listen and we consider most carefully what is said to us. But ultimately the Government has to decide what is the right course of action to take. In doing so it has to balance many considerations:

the interest of taxpayers as a whole as well as of those affected by the change, revenue considerations and the needs of efficient administration. The Government cannot abrogate these responsibilities, which means, quite simply, that we cannot always act solely in accordance with the views that are pressed upon us.'

Simplification of the System

On the third objective – simplification of the tax system to make it more intelligible and to reduce administrative costs – 'considerable progress has also been achieved'. For example, simplification of income tax had enabled the number of tax gatherers to be reduced by nearly 14,000, or 12 per cent, in two-and-a-half years. The Government intended to maintain this rate of progress so that by 1984 the staff of the Inland Revenue and Customs and Excise would have been reduced by nearly one-quarter.

Other Achievements

Mr Brittan went on to refer to other areas in which the Government had initiated action towards reform. There were plans to tax unemployment and short-term sickness benefits to improve work incentives (see p 115, 1980); the Government intended to issue this winter a consultative document on possible changes to the system of corporate taxation, including such matters as current cost accounting; and a consultative document on rates would be issued shortly. 'So the record over the past two-and-a-half years is in this respect a highly creditable one.'

Constraints on Change

'Nonetheless,' Mr Brittan continued, 'I wish we could have gone much further and faster', and he went on to explain why the Government had not been able to do so. Taxation objectives had to 'be pursued within a financially responsible framework'. As the purpose of these objectives was to contribute towards the more efficient functioning of the economy and thereby to establish the conditions for sustainable growth in output and employment, there was nothing to be gained by 'dramatic and speedy attainment of taxation objectives if these are simply financed irresponsibly by a sizeable addition to government borrowing. The latter would put further pressure on the money supply, on interest rates and hence inflation. Higher inflation and interest rates would undermine and erode the fundamental economic objectives that our tax policies are designed to support.' With the fall in revenue caused by the recession and with increased demands on public expenditure, the ability of the Government to make further progress on its main taxation objectives had inevitably been severely constrained.

The effects of these constraints on taxation policies were evident in a number of contexts, Mr Brittan commented. For example, regular increases in excise duties were necessary merely to keep them in line with the general movement of prices but the impact of such increases on retail prices left little scope to shift further the balance from direct to indirect taxes made in 1979 (see p 193, 1979). Similarly, reductions in personal taxation beyond those achieved in 1979 (see pp 196-7, 1979) had not been possible. Decisions in this area had to take into account not only the level of public borrowing but also the relative positions of the personal and corporate sectors. Over the previous three years personal incomes after tax had risen by about one-sixth in real terms whereas the real disposable income of industrial and commercial companies had fallen by about 25 per cent. 'Many firms have seen their profits virtually disappear, with serious implications for investment and jobs. This was the background against which we decided in the last Budget not to increase the income tax thresholds', Mr Brittan pointed out.

He went on to explain that it was considerations of this sort which the Government was taking into account in its examination of future public expenditure plans. As stated in the last White Paper on this subject[1] (see pp 104-10), public expenditure in both 1980-81 and 1981-82 was higher than the Government had earlier intended, largely because of the recession, and plans for 1982-83 were also affected. The issue currently facing the Government was how far to accept pressures for increased expenditure and how far they should be offset by reductions in other kinds of expenditure. Mr Brittan assured his audience that, in reaching these decisions, the Government would have very much in mind the need to limit as far as possible the impact of public expenditure on levels of inflation, interest rates and taxation.

The amount of revenue that would be lost was bound to be a limiting factor on more fundamental reform of the tax system, Mr Brittan continued. For example, raising the income tax personal allowance was a very effective means of simplification, as it took people out of income tax completely, but it was very costly.

Fundamental changes also involved an administrative cost. There were substantial difficulties in trying to implement a major change at the same time as continuing to operate the existing system, which was manual rather than computerised. The Government had therefore decided to proceed with computerisation of the Pay-As-You-Earn (PAYE) system, a change which, if all went well, would be complete by the end of 1987 or the beginning of 1988.

Self-assessment

Looking ahead, Mr Brittan said that the Government would have to consider the possibility of self-assessment for tax. Warning against drawing conclusions from its operation in other countries, because of differences in attitude and habits of mind, he pointed out that self-assessment put a greater responsibility on the taxpayer and, to some extent, shifted the costs of compliance from the public to the private sector. In any event, the computerised PAYE system was being designed so that the eventual option of self-assessment would be available. In the meantime, the Government would be looking particularly at the opera-

[1] *The Government's Expenditure Plans 1981-82 to 1983-84.* Cmnd 8175. HMSO, £9·30. ISBN 0 10 181750 9.

tion of Schedule D income tax[1] and corporation tax to see whether they could be streamlined in a way that would leave open the path to self-assessment in the future.

Britain's Tax Advantages

Mr Brittan concluded by emphasising that the commitment of the Government to its stated aims for the tax system had in no way changed. 'Our objective remains a taxation system which encourages work and the creation of private and corporate wealth on the widest possible basis.' He quoted from a report by the Economist Intelligence Unit,[2] which says that 'a comparison of the salient features offered by the more popular tax havens with those of the UK indicates, in fact, that the UK compares favourably in most important respects and, in certain areas, leaves the others far behind'.

Industrial Relations Legislation

The Government has published proposals for further industrial relations legislation, covering the closed shop and trade union immunities, including the definition of a trade dispute.

The proposals, published by the Government on 23 November,[3] have been prepared in the light of consultations on the basis of the Green Paper on trade union immunities published in January (see pp 47-9). They apply only to Great Britain; measures for Northern Ireland may be introduced later. Introducing the proposals in a statement to the House of Commons (*Hansard*, Vol 13, No 14, cols 629-39), the Secretary of State for Employment, Mr Norman Tebbit, said the consultations had shown 'a wide measure of agreement on the issues which need to be tackled and widespread support for a further legislative step in this session of Parliament'. The aim of the Government in formulating the proposals had been to safeguard the liberty of the individual from the abuse of industrial power, and to improve the operation of the labour market by providing a balanced framework of industrial relations law. These two aims, Mr Tebbit said, were 'fundamental to any civilised and prosperous society. The need for further legislation to help to achieve them is clear and we believe the time is right.' The Government intends to introduce a Bill early in 1982 to give effect to the proposals.

THE GOVERNMENT'S PROPOSALS

The paper, which outlines the Government's proposals, describes the Employment Act 1980 (see pp 21-3, 1980) as 'an important first step' in the process of improving the operation of the labour market by providing a fairer and more balanced framework of industrial relations law and of curbing a number of abuses of trade union power. The Green Paper on trade union immunities had elicited more than 300 comments, and these showed that there was overwhelming support in industry for further legislation. The Government had also taken into account the working of the Employment Act 1980, particularly in relation to the closed shop.

The Closed Shop

The paper suggests that closed shop agreements restrict unacceptably the freedom of individuals to choose for themselves whether or not to join a trade union and that in some cases the existence of closed shops is a barrier to the removal of restrictive practices and to improved efficiency and competitiveness. The consultations on the Green Paper have shown that there remains widespread public concern about the closed shop. The Government proposes to reinforce the provisions of the 1980 Act which protect individuals in a closed shop, in four ways:

1 *Increased compensation.* The present levels of compensation to closed shop victims do not, the paper says, act as a sufficient deterrent to an employer who wishes to dismiss an employee unfairly in order to enforce a closed shop agreement. Nor do they provide adequate compensation to dismissed employees, particularly the low paid, whose dismissal involves a serious loss of livelihood. The Government proposes that, where an employee does not seek reinstatement, compensation will comprise a basic award (up to the present £3,900 maximum), subject to a minimum of £2,000, and a compensatory award, calculated as now but with the upper limit abolished.[1] Where an employee seeks reinstatement but the industrial tribunal does not consider it practicable for the employer to comply, there will be a basic award with a minimum of £2,000, a compensatory award with no maximum and a special award of two-and-a-half times the employee's annual salary, subject to a minimum of £12,000. Where the tribunal makes an order of reinstatement which is complied with, the present rules will apply – that is, any loss incurred between dismissal and reinstatement will be made good by the employer. If the order is not complied with the tribunal will make an additional award of three times the annual salary, subject to a minimum of £15,000. (The paper says, in illustration, that a worker on average earnings of about £7,500 could expect total compensation of over £20,000 if the tribunal decided it was not practicable for the employer to reinstate and over £24,000 if the tribunal ordered reinstatement which was not complied with.) The Government proposes that these increased levels of compensation should also apply to dismissal on grounds of trade union membership and activity.

2 *Interim relief.* It is proposed that 'interim relief' (that is, an order obtainable from an industrial

[1]Schedule D deals with the profits of trades, businesses and professions, and also with income such as interest on loans and income from abroad.

[2]*The UK as a Tax Haven.* Economist Intelligence Unit, March 1981, £50.

[3]*Proposals for Industrial Relations Legislation.* Available free from the Department of Employment, Caxton House, Tothill Street, London SW1H 9NA.

[1]The basic award is calculated according to age, length of service and level of earnings. The compensatory award is determined by the tribunal, taking into account matters such as loss of earnings.

tribunal by an employee dismissed for trade union membership or activities, requiring the employer to observe the contract of employment until a full hearing is held) should in future also be available to employees dismissed for non-membership of a trade union in a closed shop.

3 *Reviews of existing closed shops.* The Government believes that there should be a requirement for testing support in a secret ballot not only for new closed shops (as required in the 1980 Act) but also for existing closed shops. It therefore proposes that dismissal for non-membership of a trade union in a closed shop should be regarded as unfair if there has not been a secret ballot of the employees concerned within 12 months of the new legislation coming into effect or within a stated previous period (perhaps three or five years), and if the ballot has not shown overwhelming support (80 to 85 per cent) for the continuation of the closed shop. Further ballots would be required at regular intervals (perhaps every three or five years) to avoid liability for unfair dismissal.

4 *Trade union contribution to compensation.* The Government believes that where a trade union exerts pressure which leads to a closed shop dismissal or prevents reinstatement, the trade union should be more readily accountable and liable to pay a share of any compensation awarded. It is therefore proposed to extend the right to 'join' a trade union (that is, involve it as a co-defendant) from the accused employer (as at present) to the dismissed employee, making any compensation awarded against the union as co-defendant recoverable by the employee through the normal process of debt recovery. It is also proposed that the right to 'join' should be available at any stage in the proceedings and not, as at present, only at the beginning.

'Union Labour Only' Requirements

The Government regards as unacceptable the practice of requiring contractors to use only union labour. It is seen as 'a means of conscripting into unions employees who have no interest in being union members'. The Government proposes that any clause in a contract requiring the employment only of people who are or are not members of a union should be unenforceable at law, and that discrimination in inviting tenders for, offering, placing, or making contracts for the provision of goods or services on the grounds that anyone employed in connection with the performance of the contract should or should not be a member of a trade union should be unlawful. It is also proposed to remove the statutory immunity from being sued in a civil action from anyone who organises or threatens industrial action to put pressure on an employer to include a 'union labour only' clause in a contract or to discriminate unlawfully.

The paper discusses the question of industrial action which aims to prevent an employer from fulfilling a contract because not all his or her employees are members of a trade union. It is not possible, the paper concedes, to eradicate this practice simply by changes in the law, although the Government's proposals on 'union labour only' requirements would arguably be incomplete if it continued to be lawful for a person to organise industrial action to prevent non-union employees fulfilling a contract which had been lawfully awarded. The Government is therefore considering whether to propose removal of the immunity (see below) for industrial action which interferes with the performance of a contract primarily on the grounds that those employed to perform the contract are or are not union members.

Trade Union Immunities

The paper points out the anomaly that, while trade union officials and individual members can be sued for unlawful acts, the unions themselves have virtually unlimited immunity from civil actions and cannot be sued for their unlawful acts or for unlawful acts done on their behalf by officials. The Government therefore proposes that the immunities for trade unions should be brought in line with those for individuals. The main effect of this would be to make trade unions liable to be sued in a civil action when they were responsible for unlawful acts not 'in contemplation or furtherance of a trade dispute' or for action made unlawful for individuals by the Employment Act 1980 ('secondary' picketing, indiscriminate 'secondary' action and industrial action to compel union membership) and by any amendments made as a result of other proposals in the paper relating to immunities.

The paper proposes that trade unions should be held vicariously liable for the action of their officials, and thus liable to be sued for those actions, where the national executive of the union had specifically authorised or ratified the action complained of, or where the action complained of was sanctioned by the union's rules, or by someone authorised by the rules, and had not been repudiated by a more senior authoritative body or official of the union. Where the union rules do not clearly establish whether an official or body is acting within the authority of the trade union, it is proposed that the trade union be liable unless a more senior authoritative body or official has repudiated the action. The paper suggests a scale of maximum damages, depending on union size, which could be awarded; these range from £12,500 (unions with fewer than 5,000 members) to £250,000 (unions with more than 100,000 members).

Definition of a Trade Dispute

The paper suggests that the present statutory definition of a trade dispute is 'unacceptably wide'. The importance of the definition is that immunities for individuals (and, as proposed, for trade unions) apply only to 'acts done in contemplation or furtherance of a trade dispute', and the paper proposes amendments to narrow the definition given in the Trade Union and Labour Relations Act 1974. Disputes which would be excluded from the definition are: those mainly political or personal in character, having only a slight connection with the subject of a trade dispute; those between workers and other workers; those relating solely to matters occurring outside Great Britain; and those where the

employer had no dispute with his or her own employees (although an employer would not be allowed to dismiss employees with whom there was a dispute in order to avoid being in a legitimate dispute).

Selective Dismissal in a Strike

At present, industrial tribunals have jurisdiction to hear complaints of unfair dismissal from employees on strike where the employer has discriminated by dismissing some but not all of the relevant employees, and the House of Lords has ruled that this applies to all employees involved, not merely those on strike at the time of dismissal. Where some employees have returned to work, an employer runs the risk of unfair dismissal complaints if he or she dismisses those remaining on strike. The Government proposes to amend the law so that tribunals have jurisdiction only where an employer discriminates by dismissing some but not all of those of his or her employees actually on strike at the time of the dismissal. An employer will need to give postal or other effective notice (perhaps four working days) to all employees on strike of his intention to dismiss any who have not returned by the end of the notice period.

Ballots

The Government proposes to extend the list of issues for which public funds are available to trade unions for holding secret ballots to cover votes on wage offers.

Small Businesses

A progress report on the Government's measures to help small businesses was given by Mr John MacGregor, Under-Secretary of State for Industry, on 13 November. As well as describing recent measures he explained why the Government was emphasising the role of small businesses.

Speaking in a House of Commons debate on small businesses (*Hansard*, Vol 12, No 8, cols 763-829), Mr MacGregor said that the business opportunities programme, launched by the Prime Minister and the Chancellor of the Exchequer in May (see p 148), had two aims: first, to publicise the measures and the help and advice that were available, and secondly to talk directly to members of the small business community and obtain feedback. Some 14 major conferences and nearly 70 small meetings had been arranged to enable direct contact to be made with over 6,000 small business men and their advisers. Audiences at meetings already held had reacted positively as they considered the range and impact of what had been done for small businesses.

Since May 1979 the Government had introduced some 72 measures to help small businesses, Mr MacGregor said. All were 'designed to change the practical working environment in which small businesses operate'. Some aimed to remove burdens from the businessman; others gave positive financial incentives. Two general points were important, he said. First, the measures were directed not just at those starting up in business, but at all small businesses. In fact only two of the 72 measures were specifically directed to 'start-ups'. His second general point was that the measures were being promoted by a wide range of government departments, reflecting 'the wholehearted commitment of the Government to the cause'.

The Importance of Small Businesses

Among the reasons why such emphasis was being placed on small businesses, Mr MacGregor said, was the unemployment problem. Manufacturing employment in the private sector had declined by just over 1 million between 1970 and 1979. Nearly 90 per cent of the jobs lost had been from larger firms; small firms had maintained their share of jobs in manufacturing.

In addition, many large firms were expecting increases in productivity and output – now that the recovery was coming (see p 331) – but without taking on many new employees; and the Government did not wish to see the public sector increased. It was therefore looking to the small and medium-sized business sector for a major contribution in dealing with unemployment.

The second reason was that small businesses at their best demonstrated the qualities that were needed for Britain to establish a competitive place in the world economy. These included the willingness to work night and day, if necessary, a lack of restrictive practices, good industrial relations, flexibility and speed of response to market opportunities, innovativeness and resourcefulness. Above all there was the recognition that only by meeting a customer's requirements could survival and growth be ensured.

The third reason was that small businesses provided variety and diversity and hence a more stable base for local economies than was the case in areas where the community depended heavily on a major industry or firm.

The final reason was that in the more successful competitor countries, such as the United States, the Federal Republic of Germany and Japan, it appeared that the small business community had been encouraged for many years to play a bigger part in the economy than had been the case in Britain.

Measures to Help Small Businesses

Mr MacGregor said that changes in taxation and finance were perhaps the most crucial concern of small businesses. Many of the changes that the Government had made applied to industry generally, but were of interest to the small business community; others were aimed directly at small firms.

Tax and Finance Incentives

He referred to the measures taken to reduce high rates of direct taxation (see pp 196-7, 1979), the changes to capital gains tax and capital transfer tax, particularly the latter (see p 119, 1980, and p 101), the tax incentives available in the enterprise zones (see p 121, 1980), and the reduction in the rate of corporation tax for small firms and

the raising of the qualifying limits (see p 120, 1980, and p 102).

Measures introduced in 1981 included the new stock relief scheme (see p 100), under which the number of companies and unincorporated firms qualifying for claims was expected greatly to increase. The business start-up scheme (see p 103), designed to encourage outsiders to put up risk capital, had attracted a good response from the business community and three schemes had been set up to act as channels for approved nominee investment funds. The first claims were expected in April 1982, Mr MacGregor said, so it was too early to measure the success of the scheme yet.

The loan guarantee scheme (see p 103), designed to encourage banks to go beyond their usual lending criteria, had 'got off to a tremendous start'. In five weeks up to the end of October 1,172 guarantees had been issued in support of £41·1 million of bank lending. Of this, £22·7 million was to new businesses and the remainder to existing small businesses. So far 589 loans had been for manufacturing firms, and the regional spread was fairly good. Demand had been greater than the Government expected and the financial ceiling for the first year had been doubled to £100 million. Now, said Mr MacGregor, 17 financial institutions were participating in the scheme and ten more were being invited to take part. The loan guarantee scheme was very much an experimental one and it would be carefully monitored. He would be looking to see among other things, whether bank lending under the scheme was truly additional, or would have been taken on anyway.

Enterprise Allowance for the Unemployed

The Government knew, said Mr MacGregor, that many unemployed people wanted to set up in business for themselves but were deterred from doing so because all their resources would be taken up by the new business during the early stages and because, by determining to set up their own business, they would lose their entitlement to unemployment benefit. He was pleased to be able to announce that the Manpower Services Commission had agreed to give an experimental enterprise allowance in the form of a grant for one year to unemployed people who wanted to set up in business. The grants would be available for a trial period in three areas – in Coventry (West Midlands); in Chatham, Gillingham, Gravesend, Rochester and Strood (the Medway towns in Kent); and in Accrington, Burnley, Nelson and Rawtenstall (north-east Lancashire). It was hoped that details of the pilot scheme would be finalised soon to enable the experiment to start early in 1982.

Non-Governmental Sources of Finance

Mr MacGregor paid tribute to private sector institutions providing venture capital and other finance for small firms (see p 115). It was his feeling that the institutions had recently transformed their attitude towards assisting small businesses. Management buy-outs were a potentially important development (see p 341, and below); and the 'employee buy-out' of the National Freight Company was especially exciting (see p 341).

The National Enterprise Board and the National Research Development Corporation had also taken initiatives in the provision of finance for small companies, with an emphasis on advanced technology companies (see p 115).

Industrial Premises

A report for the Government, commissioned in 1979, had revealed an acute shortage of small industrial premises and an absence of private sector investment in them. The raising of the industrial buildings allowance for small premises in 1980 had enabled the private sector to start building more small factories than for a number of years (see p 120, 1980). The English Industrial Estates Corporation (the Department of Industry's factory-building agency) had been empowered to go into partnership with the private sector; joint investments with three financial institutions were in hand and would result in the building of over 1,500 small workshop units (see p 189, 1980). Other agreements were being negotiated.

Employment Measures

The Government had made a number of changes in employment law reflecting the circumstances of small firms, particularly on the question of unfair dismissal (see pp 21-3, 1980). Mr MacGregor also urged small firms to take advantage of the young workers scheme announced by the Prime Minister in July (see pp 229-30) and due to commence on 4 January 1982.

Company Law

The New Companies Act (see pp 231-3) made important changes designed to benefit small businesses. Reporting requirements had been somewhat relaxed and companies had been enabled to purchase their own shares (a measure aimed at overcoming the fears of private companies whose members were reluctant to 'give away' any of the equity, by enabling them to buy back their own shares). Provisions had also been made to assist management buy-outs. [The Companies Act 1948 prohibited a company from providing financial assistance for the purchase of its own shares, in order to protect creditors and minority shareholders. As a result, managers of private companies wishing to buy up the shares from the owners had been unable to secure loans on the company's assets. This restriction is lifted by the new Act subject to certain safeguards – that only distributable profits may be used to provide financial assistance (so that capital reserves are protected for creditors); that the directors must declare that the company can pay its debts over the following year; and that minority shareholders with a 10 per cent holding or more may apply to a court to prevent the transaction.]

Other Measures

Mr MacGregor also referred to government measures on public sector purchasing. A booklet had been produced for smaller firms explaining what government departments buy and what the pro-

cedures were, and a review of the role of small firms in public purchasing was under way.

Technological support was available from the Department of Industry's manufacturing advisory service, which had assisted more than 2,000 small and medium-sized firms since 1977. Small firms were also urged to participate in schemes such as the product and process development scheme (see p 309, 1977), the microelectronic industry support scheme (see p 300, 1979) and the 'micros in schools' project (see pp 117-18).

The Department of Industry's small firms service had experienced a substantial increase in demand in 1981. In the first nine months the number of inquiries had been twice as high as in the previous year. In the past three months the number had been 138 per cent higher than in the previous year. The small firms service was also taking part with the Council for Small Industries in Rural Areas in a pilot scheme in which their advisory services were pooled.

Conclusion

Mr MacGregor made three points in conclusion. First, there was a need to bring about a greater awareness of all the measures that had been taken to change the practical working environment for small firms. The Government would continue to work towards that end. Secondly, there would be careful monitoring of the pilot schemes and schemes with a limited life, so that the Government could build on experience. Thirdly, the Government would seek other ways to assist the small business sector to expand and would be ready to respond to any suggestions for this.

It was not solely a question of changing the environment for small firms, he said. The Government was concerned with changing attitudes, from the schools upwards, towards the entrepreneur.

Shorter Notes

INDUSTRIAL TRAINING BOARDS

A statement on the future of the industrial training boards was made by the Secretary of State for Employment, Mr Norman Tebbit, to the House of Commons on 16 November. Reforms to the structure and operations of the boards, provided for within the Employment and Training Act 1981 (see p 73), are to be made in order to provide industry with a better framework for meeting training needs in the 1980s. The Government has decided, after extensive consultations and in the light of recommendations made by the Manpower Services Commission, to abolish 16 of the 23 boards and to change the scope of some others. The seven to be retained are those for clothing, construction, engineering, hotels and catering, road transport, rubber and plastics processing, and the offshore section of the petroleum industry. The proposals do not cover the Agricultural Training Board, which is responsible to the Minister of Agriculture, Fisheries and Food and the Secretaries of State for Scotland and Wales.

The scope of five of the boards being retained is to be changed. The rubber industry will be removed from the scope of the Rubber and Plastics Processing Board, and road passenger transport, warehouses, agricultural machinery, driving schools and security transport from that of the Road Transport Board. The Secretary of State for Employment will consider further whether the latter board should be split in two, with one board for road haulage and another for motor vehicle retail and repair. The foundry industry will remain within the scope of the Engineering Board, but it is proposed that the Board revoke its delegation of functions to the foundry industry training committee. The Hotel and Catering Board remains unchanged for the time being, although its position will be reviewed early in 1983. As a result of the abolition of the Ceramics Board, the brick and precast concrete industries will be brought within the scope of the Construction Board, further changes to which are under consideration.

Mr Tebbit said that where the statutory arrangements were to be removed he was satisfied that the training requirements of the sector concerned could be met effectively on a voluntary basis with less cost and bureaucracy. The industries concerned will bear the costs of the alternative voluntary arrangements, but the Government will continue to meet the operating costs of these boards as necessary until the end of the financial year 1982-83, together with any net winding-up costs. The Government, however, wishes to ensure that the winding-up is completed as soon as practicable. Where boards are retained they will also in future be funded by the industry concerned, but government financial support for operating costs will be extended until the end of March 1982.

Mr Tebbit reaffirmed the Government's commitment to the objectives of the New Training Initiative, published in May (see pp 178-9), and said that he hoped to make a further statement before the end of the year.

Source: *Hansard*, Vol 13, No 9, cols 30-40.

SALE OF HAWK AIRCRAFT TO UNITED STATES

British Aerospace's Hawk aircraft has been selected to meet the training requirements of the United States Navy with the award, announced on 19 November, of a contract which could be worth between £500 million and £600 million to Britain. The aircraft forms part of a training 'package' which was submitted jointly by British Aerospace and the United States companies McDonnell Douglas and Sperry, and which was successful against five other competitive bids. The package includes simulators and other training materials such as manuals and schedules. McDonnell Douglas will be the prime contractor, with British Aerospace the principal subcontractor for the airframe and Sperry the principal subcon-

tractor for the simulators. The contract will lead to full-scale development work in 1983.

The aircraft to be supplied is a modified version of the Hawk, which has been in service with the Royal Air Force for five years, where it has achieved more than 100,000 operational flying hours.

Source: *British business*, 27.11.81.

TYNE AND WEAR METRO

The Tyne and Wear Metro, an electrically powered light rapid transit system which is the largest provincial urban transport scheme to have been undertaken in Britain in the twentieth century, was officially opened on 6 November by the Queen. The first stage was inaugurated in August 1980 (see p 276, 1980) and now some 29 km[1] are in operation. A further 14 km will be opened in 1982 and the final 13-km stage in the summer of 1983. When completed, the scheme will cover 56 km, of which 43 km will be converted British Rail suburban routes and 13 km new construction including tunnels under the centre of Newcastle upon Tyne and Gateshead and a bridge over the River Tyne, the largest railway bridge to be built in Britain in this century.

Services are operated by 90 lightweight rail vehicles, built by Metro-Cammell Ltd (which has also built rapid transit vehicles for other cities, including London and Glasgow, and for Hong Kong), with a maximum service speed of 80 km per hour. Other features of the Metro include one-man operation of the trains, unmanned stations, a number of bus-rail interchanges, automatic fare collection, and a single control centre for monitoring and regulating communications and signalling.

Total costs (including the cost of the rolling stock) are expected to be about £280 million, equivalent to £5 million per km, making it one of the cheapest metros in the world to be built. The number of passengers, over 1 million a month, is higher than originally forecast, and more than 12 per cent of journeys are newly generated rather than switched from other modes of transport.

Sources: Tyne and Wear Passenger Transport Executive, *British business*, 6.11.81.

SCRUTINY OF NATIONALISED INDUSTRIES

The Government has decided to enlarge the role of the Monopolies and Mergers Commission in the scrutiny of the efficiency of the nationalised industries. It is already open to the Secretary of State for Trade, under the Competition Act 1980 (see p 340, 1979), to ask the Commission to report on the efficiency, costs, service provided to consumers, or possible abuse of monopoly power, of certain public sector bodies.[1] Four reports have been completed since the beginning of 1980.[2] The Government has now decided to increase the number of references to the Commission.

Speaking in a parliamentary debate on the public audit system on 30 November, the Financial Secretary to the Treasury, Mr Nicholas Ridley, said that the Government intended that there should be up to six references a year. Each nationalised industry would have at least one major reference every four years, but no individual part of any industry would normally be referred more than once every four years. The Government would announce the programme of references annually for the year ahead. In order to ensure that follow-up action should be more effective the Government would encourage the Commission to be as specific as possible in its recommendations. In the interests of parliamentary accountability a nationalised industry would make a statement of its responses to a report within three or four months of its publication, and there would be a further statement on progress after 12 months. It was intended, he concluded, that the Commission should remain the main instrument for the external scrutiny of the nationalised industries.

Source: *Hansard*, Vol 14, No 9, cols 48-9.

[1] 1 km = 0·621 mile.

[1] These are: trading enterprises where the members are appointed by a minister (this covers the nationalised industry corporations); providers of bus services; water authorities and companies; agricultural marketing boards; and subsidiaries of any of the above.

[2] *The Inner London Letter Post*. HMSO, £4. ISBN 0 10 251580 8; *British Railways Board: London and South East Commuter Services*. HMSO, £8·60. ISBN 0 10 180460 1; *Central Electricity Generating Board*. HMSO, £9·30. ISBN 0 10 231581 7; *Severn-Trent Water Authority, East Worcestershire Waterworks Company and the South Staffordshire Waterworks Company*. HMSO, £10·80. ISBN 0 10 233981 3*.

SOCIAL AND CULTURAL AFFAIRS

Brixton Disorders

Following the publication of the report[1] on the disorders in Brixton last April the Home Secretary said in a statement in the House of Commons on 25 November that in Lord Scarman's view the disorders stemmed from a breakdown in confidence between the police and the coloured community, against a background of urban deprivation, racial disadvantage and a rising level of street crime. The Government accepted and endorsed the philosophy implicit in Lord Scarman's recommendations on policing, which stressed the need for the police to carry out their duties with the consent and support of the community, and also his proposals for improving relations between the police and the community. The report emphasised, said the Home Secretary, that, despite the efforts of successive governments, the problems of the inner cities persisted. The police should not become the scapegoats for these difficulties; all citizens had to share in making Britain's multi-racial society work more justly.

Lord Scarman, a senior judge and Lord of Appeal in Ordinary, was appointed by the Home Secretary, Mr William Whitelaw, to inquire into the disorders in Brixton on 10-12 April (see p 152). Besides examining the events and their immediate causes, Lord Scarman considered the underlying causes, with special reference to the problem of policing areas where the community is multi-racial. In the course of the inquiry he made a number of visits to Brixton and elsewhere in London, as well as to Birmingham, Coventry, Wolverhampton and Liverpool where disorders occurred in July (see p 241).

HOME SECRETARY'S STATEMENT

In his statement (*Hansard*, Vol 13, No 16, cols 891-900) Mr Whitelaw said that Lord Scarman's report had at its centre the disorders, which he described as riots, initially spontaneous, and throughout inexcusable in their violence. Lord Scarman praised the police and emergency services for the 'courage and dedication' displayed over 'that terrible weekend' and went on to discuss those factors which, in his view, led to the disorders. He saw them as stemming from a breakdown in confidence between the police and the coloured community, against a background of urban deprivation, racial disadvantage and a rising level of street crime. The report acknowledged the good work done by the police and others to prevent such events recurring but emphasised that all concerned had important lessons to learn for the future.

Lord Scarman's detailed recommendations on policing policy and policing arrangements added up to a statement of philosophy and direction for the future which rested on the need for the police to carry out their duty with the consent and support of the community. The report rightly led discussion away from simple concepts of 'hard' and 'soft' policing, and focused on issues which reflected the real variety of policing, and the duty of the police to apply the law firmly and sensitively without differing standards. Lord Scarman emphasised that the consent and support of the community depended on good two-way communications between the police and the public. The operational judgment of the police would be informed, and not undermined, by consultation with the community it served. At the same time, the community had a duty to maintain discussion with the police, and respond to their initiatives. Without consultation of this kind, there would not be accountability, and the necessary balance between preserving the peace and enforcing the law would be distorted.

Mr Whitelaw said he accepted and endorsed this statement of philosophy and would see that it was carried into practice. In particular, he accepted the need to develop formal arrangements in every police force area for consultation between police and community at different levels, and for the involvement of Chief Officers of Police in local social and economic decisions affecting policing. He similarly endorsed the need for regular and systematic consultation at borough level in the Metropolitan Police District, where Lord Scarman recommended that the Home Secretary should remain the police authority. He accepted the need for more effort to be put into training, with a new emphasis on the problems of policing a multi-racial society, and on the prevention and handling of disorder. He accepted that the procedure for handling complaints against the police should be substantially reformed if it were to command public confidence. He had already given this matter much consideration, and he would bring forward proposals to the House.

[1] *The Brixton Disorders, 10-12 April 1981.* Report of an Inquiry by the Rt Hon the Lord Scarman OBE. Cmnd 8427. HMSO, £8. ISBN 0 10 184270 8.

The rest of Lord Scarman's report, said Mr Whitelaw, was concerned with racial disadvantage, the law in the field of public order, and social and economic conditions, all of which affected the problems of policing in a multi-racial inner city environment. The report emphasised that, despite the efforts of successive governments, the problems of inner cities persisted. Lord Scarman's recommendations pointed to the need to seek ways in which better co-ordination and better value for money could be achieved.

The police had a right to look for action by society as a whole; they should not become scapegoats. The Government accepted responsibility, in which all had to share, to make Britain's multi-racial society work more justly.

Opposition Views

Mr Roy Hattersley, Opposition spokesman on home affairs, referring to Lord Scarman's 'historic work', said the report should be used as a foundation on which to build a better relationship between the police and the public. He asked whether the Home Secretary accepted all of Lord Scarman's recommendations concerning the police, including the dismissal of police officers for racially motivated behaviour. He also pointed to the need for action to ban racist marches.

Mr David Steel, leader of the Liberal Party, described the report as 'outstandingly thorough and extremely important' and asked whether the Government agreed that urgent action was needed if racial disadvantage were not to become 'an endemic and ineradicable disease threatening the very survival of our society'. While acknowledging that the Home Secretary accepted the philosophy of Lord Scarman, he hoped that the report's detailed recommendations on community policing and training would be accepted as government policy.

THE SCARMAN REPORT

Social Conditions

In an introduction to the report, Lord Scarman says he has sought to identify not only the policing problem specific to the disorders but the social problem of which it is necessarily part. The one cannot be understood or resolved save in the context of the other. The policing problem is that of policing a multi-racial community in a deprived inner city area where unemployment, especially among young black people, is high and hopes are low.

In its appearance and amenities Brixton, in the London Borough of Lambeth, shares many of the features of other decaying inner city areas. In spite of the rehabilitation of some properties by the council the borough suffers from serious housing problems and a lack of sufficient recreational facilities. The population of Brixton tends to be relatively young, working class and transient, there is a marked incidence of social problems and some 36 per cent of the population are black. The black community faces similar difficulties to the white but they are more severe. The family, education, unemployment and discrimination are particular areas of difficulty and young black people might feel a particular sense of frustration and deprivation. They spend much of their time on the street where they come into contact with criminals and with the police. The social conditions of Brixton – many of which are to be found in other inner city areas – do not provide an excuse for disorder, and cannot justify attacks on the police, arson or riot. But the disorders cannot be understood unless they are seen in the context of the complex political, social and economic factors which together create a predisposition towards violent protest. At the same time, Lord Scarman says, there is much in Brixton that is positive and creative, not least the generally amicable relations between its black and white inhabitants. Many people have emphasised to him their pleasure in living there.

The Disorders

The report reconstructs in detail the weekend's disorders which started spontaneously on the Friday evening, when a group of mainly young black people mistakenly thought the police were mistreating a youth they were trying to assist after he had been stabbed. Lord Scarman considers that the police officers involved in this incident acted reasonably and decisions taken subsequently by the police were appropriate in the circumstances. It was unwise, however, to continue 'Swamp '81', a 'stop and search' operation that had started the previous Monday in an attempt to combat the high level of street crime. A further incident on Saturday when two plain-clothes officers questioned a suspect and arrested a man provided the spark for further disorder as many young black people 'were spoiling for a row'. Once begun, the disorder on Friday and Saturday developed into riots, the purpose of which was to attack the police. The riots were neither premeditated nor planned. On Saturday, however, outsiders did participate, attracted into the action by publicity given to Friday's events. These people, some of whom were white, played a significant part in intensifying the disorder by making and distributing petrol bombs. The Sunday riots were sporadic and spontaneous, stimulated by the elation felt by many young people at their success in defying the police. The riots were essentially an outburst of anger and resentment by young black people against the police. There was a strong racial element in the disorders but they were not a race riot.

Relations Between the Police and the Community

Lord Scarman says that neither the police nor local leaders can escape responsibility for the breakdown of relationships between the police and the community in Brixton. Both must accept a share of the blame. A major cause of the hostility of young blacks was loss of confidence by significant sections, though not all, of the Lambeth public in the police. The reasons for this included the collapse of the police liaison committee in 1979; 'hard' policing methods which caused offence and apprehension to many; lack of con-

sultation about police operations; distrust of the complaints procedure; and racially prejudiced conduct by some police officers. The dilemma facing the police in Brixton was how to cope with a rising level of crime – and particularly of street robbing ('mugging') – while retaining the confidence of the community, especially the ethnic minority groups. However well-intended was the use of the Special Patrol Group[1] to assist in special operations against crime, the operations provoked the hostility of young black people and, when combined with other incidents, led to the breakdown of the formal arrangements for liaison.

The report says that the direction and policies of the Metropolitan Police are not racist but racial prejudice does manifest itself occasionally in the behaviour of a few officers on the streets. Harrassment does occur and in Brixton an isolated instance of misconduct can foster rumours which rapidly become firmly held beliefs. The need for good community relations is recognised at district command levels but the police in Lambeth have not succeeded in achieving public approval and respect. Attitudes and methods in the local senior command have not become sufficiently adjusted to the problems of policing a multi-racial community.

The disorders did reveal weaknesses in the capacity of the police to respond sufficiently firmly to violence in the streets, says Lord Scarman. Broadly, however, the police response to the disorders, once they broke out, was to be commended not criticised. Before passing judgment on the quality of the police, their many excellences should be remembered while seeking to remedy such defects as there may be.

In the closing stages of the inquiry, says Lord Scarman, there was evidence of a willingness on both sides to acknowledge past errors and to try to make a new start; he sees this as a hopeful sign.

Proposals for Improving Policing

Before making a number of specific proposals for improving the quality of policing, Lord Scarman says that the police today face greater pressures than ever before. These pressures reflect changes in society, in social values and attitudes and in policing itself. Society has become more fragmented and diverse, and yet almost uniform in many of its perceptions and attitudes. This uniformity is largely due to the influence of the media. Social attitudes are more permissive; authority is no longer accepted without question. The police have been deeply affected by the change: they are now professionals with a highly specialised set of skills and behavioural codes of their own. They face the problems of how to take advantage of their technological aids without destroying the human factor which is essential if policing is to command public support. Lord Scarman considers that there is scope for a more coherent and better directed response by the police to the challenge of a modern, multi-racial society.

[1]The Special Patrol Group is a mobile task force brought in to attend serious emergencies.

Recruitment

There is widespread agreement that the composition of the police forces should reflect the make-up of the society they serve, says the report. In one important respect they do not, in that the ethnic minorities are very significantly under-represented. Efforts to attract black recruits have met with little success; the reluctance of young West Indians to join the police is deeply rooted in the attitude of many members of that community to the police. Lord Scarman recommends that an urgent study be conducted of ways of improving ethnic minority recruitment. He rejects the suggestion that a quota of places should be reserved for black recruits and that standards for recruitment might be lowered. The provision of special additional training for would-be entrants is a possibility coupled with a drive to get black applicants to come forward.

Another important aspect of recruitment raised at the inquiry was the need to ensure that racially prejudiced people are not selected as police officers. Lord Scarman recommends that work being undertaken by the Metropolitan Police to identify scientific ways in which evidence of racial prejudice can be identified should be vigorously pursued.

Training

The central theme in all training must be the need for the police to secure the consent and support of the public if they are successfully to perform their duties of keeping the peace and preventing and detecting crime. Improvements in training are already in hand but Lord Scarman recommends that the initial period of training be lengthened and more attention be given to training in the prevention and handling of disorder and in understanding the cultural backgrounds and attitudes of Britain's ethnically diverse society. The probationary period should include practical training in 'situations of potential conflict' and service in a city area where ethnic minorities form a substantial part of the population. In-service training should include courses designed to show the necessity of good community relations as well as training in handling public disorder.

Supervision

The report notes that some 36 per cent of police officers in England and Wales are between the ages of 18½ and 25. Young police officers are a valuable part of the service, considers Lord Scarman, since they are not separated from young people on the streets by a 'generation gap'. The need is not to remove them from sensitive areas but to ensure that they receive proper guidance and supervision. Greater attention should be paid to management training in the supervisory responsibilities of officers, and close supervision is important to ensure that 'stop and search' operations are conducted carefully and courteously as well as firmly.

Discipline

Lord Scarman says he is satisfied that when racially prejudiced behaviour occurs, severe disci-

plinary action is taken. Such behaviour should be included as a specific offence in the Police Discipline Code and it should be understood that the normal penalty for racially prejudiced behaviour is dismissal.

Methods of Policing

The report discusses issues raised by the debate about community policing and agrees that there are circumstances in which 'hard' policing methods, including the deployment of the Special Patrol Group, are appropriate. Nevertheless, it recommends that Chief Officers of Police in consultation with their Police Authorities and local community leaders should re-examine methods of policing, especially in inner city areas, with special reference to the pattern of patrolling, particularly the mixture of foot and mobile patrols; the role of Home Beat Officers and how they can be integrated more effectively in the mainstream of police operations; the provision of opportunities for officers to get to know the community; and ways of ensuring greater continuity and a balanced spread of ages in sensitive inner city areas and of ensuring that officers transferred to such areas be given an effective introduction to the problems found there.

Consultation and Accountability

Police forces generally recognise the importance of good relations with the community and most have established specialised community relations or community involvement branches. The larger forces usually appoint community liaison officers with responsibility for fostering good relations with the community. Senior police officers are reluctant, however, to discuss operational matters. Lord Scarman considers that community involvement in policing policy is feasible without undermining the independence of the police or destroying the necessary secrecy of certain operations against crime. He considers that there should be a statutory duty for Chief Officers of Police to co-operate with Police Authorities to establish consultative arrangements in their areas. In London there should be consultative arrangements between the Metropolitan Police and the community at Borough and Police District level.

Handling Disorder

The disorders in Brixton reveal the need for improvements in arrangements for handling disorder and many are already in hand. Lord Scarman recognises the important necessity of the Home Secretary's decision that such equipment as water cannon, CS gas and plastic bullets should be available in reserve (see p 242) but emphasises that such equipment should only be used in a grave emergency when loss of life is feared and only on the authority of the Chief Officer of Police.

Police Complaints Procedure

Evidence suggests that there is a lack of public confidence in the present system for considering complaints against the police under which complaints are investigated initially by a senior police officer from a different force. In the section of the report dealing with law reform Lord Scarman discusses a number of possible changes and concludes that if public confidence in the complaints procedure is to be secured, the early introduction of an independent element in the investigation of complaints and the establishment of a conciliation process are vital.

The Disorders and Social Policy

Turning to the social context in which the disorders took place, Lord Scarman says that the police do not create social deprivation, though unimaginative policing can worsen the tensions which deprivation engenders. Conversely, while good policing can help diminish tension it cannot remove the causes of social stress where they are deeply embedded in fundamental economic and social conditions. Any attempt to resolve the circumstances from which the disorders sprang must embrace the wider social context in which policing is carried out.

There has been a failure over the last three decades to tackle the problem of inner city decline successfully in spite of expenditure of large sums of money. Lord Scarman suggests that one of the reasons is the lack of an effective co-ordinated approach. He recommends action to achieve a better co-ordinated and directed attack and recommends that local communities be fully involved in planning, in the provision of local services, and in the management and financing of specific projects. Inner city areas are not human deserts, says the report; they possess a wealth of voluntary effort and goodwill which should be put to use. The private sector and the police should also be more effectively involved in tackling inner city problems.

Housing

The special needs of ethnic minorities in housing, education and employment are considered in the report. In housing it notes the increasing recognition of the value of rehabilitation and the need to involve the community in housing management and development. It endorses the finding of the Home Affairs Committee of the House of Commons in its report, *Racial Disadvantage* (see p 283), that local authorities should review their housing policy to ensure that they do not discriminate against minority groups.

Education

The criticisms of educational provision made during the inquiry are discussed and attention drawn to four areas of potential improvement: the provision of facilities for under-fives; the training of teachers in the particular needs, cultural background and expectations of minority groups; the teaching of English; and the involvement of parents, in particular black parents, in the work of schools. The greater involvement of the police in schools (they already participate in such activities as discussion groups and talks on road safety) and the need to educate children in the use of leisure are recommended.

Employment

Unemployment faces both white and black people but it falls disproportionately on black. The need

to encourage black people to secure a real stake in their own community through business and the professions is stressed. There can be no doubt, says the report, that unemployment was a major factor in the complex pattern of conditions which lay at the root of the disorders in Brixton and elsewhere. The solution depends on a successful outcome of current economic problems; in the meantime the Government is doing much to alleviate the worst effects of unemployment, especially among the young (see pp 228-30). The structural causes of unemployment, including remarkable developments in technology, are more complex than the existence of the current recession. In order to secure social stability there will be a long-term need to provide useful, gainful employment and suitable educational, recreational and leisure opportunities for young people, especially in the inner cities.

The Response to Ethnic Minority Needs

If alienation among the black community is not to develop, there should be a more ready recognition of the special problems and needs of the ethnic minorities. Lord Scarman endorses the proposals of the Home Affairs Committee for improving the information available about minority needs, including the inclusion of an ethnic question in the Census, and for monitoring by local authorities of the services they provide.

There is a lack of a sufficiently well co-ordinated and directed programme for combating racial disadvantage, he says. If the balance of disadvantage is to be redressed positive action is required in the form of special programmes in areas of acute deprivation. Lord Scarman says he recognises the fear of both public and private institutions that programmes which recognise and cater for the special needs of minority groups will 'stimulate a backlash' from the majority. He believes, however, that if the justification for any special programmes were fully explained, the backlash threat might prove to be over-rated.

Discrimination

The evidence received suggests that racialism and discrimination against black people – often hidden and sometimes unconscious – remain a major source of social tension and conflict. A clear determination to enforce the existing law and a positive effort by all in responsible positions to give a lead are required. Lord Scarman refers to signs among some black youths of a 'disturbing trend towards a total rejection of white society'. Pride in being black is one thing, but black racialism is no more acceptable than white, and should be vigorously rejected if social harmony is to be ensured.

Community Relations Councils

Criticism of local community relations councils, whose function is to foster harmonious relations between racial groups, was made at the inquiry. While acknowledging that the councils have a difficult balance to achieve between keeping a dialogue going with authority and the need not to lose credibility with the minority groups, the report suggests that the functions of the councils should be reviewed.

The News Media

The question of the role of the news media is raised by the 'copy cat' element identified in the disturbances, says the report. Lord Scarman urges editors and producers to accept that they have a responsibility to assess the likely impact on events of their own reporting of them, to ensure balance in covering disorder, and to bear in mind that rioters and others, in their exhibition of violence, respond alarmingly to what they see as the encouraging presence of the television camera and reporter. He also records the criticism made to him that the problems of areas like Brixton are not fairly reported, the focus being placed on the difficulties and the good things ignored.

Law Reform

The final section of the report considers a number of proposals for the reform of the law arising from evidence presented to the inquiry.

The 'stop and search' power of the police is necessary to combat street crime, says Lord Scarman, but the state of the law on this matter is 'a mess'. He agrees with the proposals of the Royal Commission on Criminal Procedure (see p 29) for rationalising the law and for certain additional safeguards.

A careful watch should be kept on the use of the Criminal Attempts Act 1981 which was enacted in partial substitution for the repealed 'sus' law (which made it an offence to be a suspected person loitering with intent to commit an arrestable offence – see p 31) and which created a new summary offence of 'vehicle interference'.

Provision should be made for random checks by persons other than police officers on the interrogation and detention of suspects in police stations.

On the question of the law relating to public disorder, Lord Scarman disagrees with the submission made that there should be a new Riot Act to deal with public disorder. He considers that the existing law – which includes the Public Order Act as well as the common law offences of riot, unlawful assembly and affray and a range of statutory offences such as offences against the person, assaulting a police officer in the execution of his duty and wilful obstruction of the highway – is adequate. Though in favour of a modern restatement of the law relating to public disorder, he sees no urgent need for piecemeal reform.

Selective Ban on Processions

Although they were not related to the Brixton disorders Lord Scarman examined the statutory powers to control marches, processions and demonstrations likely to stir up racial hatred since the subject arose in evidence submitted to him. The existing law governing processions is section 3 of the Public Order Act 1936. This allows the Secretary of State on the application of the local council to prohibit for up to three months 'the holding of all public processions or of any class of public procession', if the police consider that they

would be unable to prevent 'serious public disorder'. Lord Scarman recommends that the Public Order Act should be amended to delete the word 'serious' from the public order test and to require advance notice of a procession to the police. He suggests that it should be possible to ban 'racist' marches or processions in racially sensitive areas by the use of the existing power to prohibit a specific class of procession, but if for practical reasons this proves difficult, he recommends an amendment to the Act to enable one specific march to be banned.

Conclusion

In a conclusion to the report Lord Scarman says that the evidence he has received leaves him in no doubt that racial disadvantage is a fact of current British life and was a significant factor in the causation of the Brixton disorders. 'Urgent action is needed if it is not to become an endemic, ineradicable disease threatening the very survival of our society'. It would be unfair to criticise the Government for lack of effort: the question is whether the effort has been properly directed. Funding has been made available on a substantial scale and the administrative effort of central and local government has been equally substantial; in Lambeth itself the work done by the Borough Council and central government to relieve racial disadvantage deserves high praise. There is clear evidence of the will and the commitment of Parliament and government to the cause of racial equality. ' ''Institutional racism'' does not exist in Britain: but racial disadvantage and its nasty associate, racial discrimination, have not yet been eliminated. They poison minds and attitudes: they are, and so long as they remain will continue to be, a potent factor of unrest.'

The role of the police has to be considered against this background. The police do not create social deprivation or racial disadvantage: they are not responsible for the disadvantages of the ethnic minorities. Yet their role is critical. If their policing can be seen to be the application to the new society of the traditional principles of British policing the risk of unrest will diminish. If they neglect consultation and co-operation with the local community unrest is certain and rioting probable.

A new approach is required and Lord Scarman says he is satisfied that it has already begun. Determination and persistence in the formulation and application of policies are needed and an equal persistence is required of all sections of the responsibly minded public.

The attack on racial disadvantage must be more direct than it has been. It must be co-ordinated by central government, who with local authorities must ensure that funds are directed to specific areas of racial disadvantage, in particular in education and employment. A policy of direct co-ordinated attack on racial disadvantage means that the ethnic minorities will enjoy for a time a positive discrimination in their favour. It is a price worth paying if it accelerates the elimination of the unsettling factor of racial disadvantage from the social fabric of the United Kingdom. Lord Scarman says he considers this task to be even more urgent than establishing on a permanent basis good relations between the ethnic minorities and the police. Good policing will be of no avail unless the basic flaws in society are tackled and eliminated. If racial prejudice is eliminated from society it will not be difficult to achieve good policing.

National Health Service

Improvements in the organisation and management of the health service, the increased recruitment of medical staff, and a reduction in the length of hospital waiting lists, were among the recent achievements of the National Health Service described by the Secretary of State for Social Services on 6 November. Other matters referred to were expenditure, mental health, preventive medicine and the need for a partnership with voluntary agencies and the private sector.

During the debate on the Queen's Speech in the House of Commons (*Hansard*, Vol 12, No 3, cols 220-81) The Secretary of State for Social Services, Mr Norman Fowler, said that the National Health Service faced problems, but it had also achieved much and its reputation with the public remained high. It had a crucial role to play in the future as the major provider of health care in Britain. For that reason the Government had given priority to it both in terms of spending and in terms of policy. The organisation had been slimmed down so that more resources could go directly to patient care and wherever possible resources had been moved from institutional care to community care.

Expenditure

Spending in the year 1981-82 by health authorities was 4 per cent higher, in real terms, than the level in 1978-79, said Mr Fowler. If capital expenditure by health authorities were included, the increase in real terms over the period was nearer to 4·5 per cent, and for the National Health Service as a whole 5 per cent. These were real increases, allowing the Government to provide for the increased number of very old people and enabling it to use advances in medical technology which resulted in more effective treatment of patients, in hip replacements and transplants and better diagnostic tests. The Government was also continuing to reduce the disparities in the levels of funding between health areas by ensuring that the relatively more deprived health authorities received a greater share of resources. The Government now spent more than £11,000 million a year on the health service.

Management costs within the health service were being reduced through reorganisation by about 10 per cent, estimated to save about £30 million a year. The headquarters staff in the Department of Health and Social Security had been cut by 14 per cent since 1979, and by 1984 this figure was expected to rise to 20 per cent.

Other changes, including those in regional organisation, would make further substantial savings.

Mental Health

As an example of the Government's response to need Mr Fowler referred to the proposed new mental health legislation[1] which was concerned with the status and legal position of mentally disordered people needing special protection and control. Another matter of concern was the position of the mentally handicapped. The Government's policy was to give the mentally handicapped the fullest possible life and the best chance to achieve their full potential, and to do this as far as possible in the community rather than in institutions. Some of the progress in moving people from hospital and institution to community care had been encouraging – for example, in the case of mentally handicapped children. Wherever possible they should live at home or, if that were not possible, in small units which could provide a homely setting. The number of children resident in hospital was falling steadily, and at 2,000 was well under half the figure for the early 1970s. As a further encouragement to getting long-stay children out of large hospitals for the mentally handicapped, the Government was making available £1 million, which it would donate on the basis of a pound for each pound raised by voluntary organisations for that purpose, over the next four years. The Government would be issuing guidelines on the scheme to those organisations which were interested, for it was clear that the voluntary sector had an important contribution to make to this initiative.

There were, however, about 15,000 people in large hospitals for the mentally handicapped who had no health reason to be there. As an immediate priority, the Government would be seeking to develop new arrangements to enable those people also to move out of hospital.

Elderly People

One of the problems which the health service would have to face during the 1980s would be to enable sufficient provision to be made for the elderly. By the end of the century the number of people aged 75 and over was expected to increase by about one-fifth and the number aged 85 and over was expected to increase by one-half. It was the duty of society to make proper provision for the elderly and this would continue to be the Government's priority.

Recent Achievements

One of the Government's notable successes was that hospital waiting lists had been shortened. At the end of March 1979 there were 752,000 patients in England waiting for admission to hospital, mostly for surgical treatment. The number was now 630,000. There had been a significant increase in staff providing health care. During the past two-and-a-half years the health service had obtained 1,000 more doctors and dentists and between 8,000 and 9,000 more nurses and midwives.

[1]The Mental Health (Amendment) Bill was published on 11 November.

The creation of new local district health authorities (see pp 257-8, 1980) would help to ensure that decisions affecting patients' care were taken by those who were closest and most responsive to the needs of patients and the community.

Preventive Medicine

The health service, Mr Fowler continued, had to be ready with new ideas to respond to changes in health needs. Too much ill-health was avoidable and used resources needed to treat those who were unavoidably sick. Responsibility for taking care of personal health rested primarily on the individual but there was an important role for the Government and health authorities to ensure that people were well informed about health risks. That would be a major task for the new district health authorities. To assist them the Health Education Council had been reconstituted with a clearer role and increased resources. Advice had been issued on such matters as diet and nutrition in relation to heart disease and steps had been taken to help protect children against avoidable hazards, for example, through encouraging vaccination and immunisation.

The Future

Mr Fowler identified four important areas in which the concept of 'partnership' should apply in the future. First, there was the scope for partnership between the different agencies that provided care. The consultative document *Care in the Community* had been issued (see p 279) to encourage new ways of collaboration between health authorities and local authorities.

Secondly, the Government wanted to see partnership with the voluntary sector. This was of particular importance in providing for such groups as the elderly, the mentally handicapped or disordered, and the disabled who needed long-term care in the community. An outstanding example of what could be achieved when the National Health Service, the community and voluntary interests worked together was the national appeal for the rebuilding of the spinal injuries unit at Stoke Mandeville hospital. More than half of the ambitious target of £10 million had so far been raised and the work was due to be completed in 1983.

Thirdly, the Government was keen to see co-operation between the private and public sectors in the provision of health care. The private sector was a mixture of voluntary, charitable and commercial enterprises ranging from small nursing homes to modern hospitals capable of undertaking major surgery. The private sector could relieve pressure on hard-pressed National Health Service facilities, either directly or by allowing the health service to direct resources to other areas. It also provided an alternative; however good the service was people should have the right to an alternative.

Fourthly, the idea of partnership concerned the health professions themselves. The National Health Service relied upon the dedicated work of its staff, and had to make the best use of its skills. The country was extraordinarily fortunate in the standard of its doctors, nurses and other staff who worked in the health service.

Shorter Notes

RACE RELATIONS

A Home Office study on racially motivated attacks was published on 17 November, with a foreword by the Home Secretary, Mr William Whitelaw.[1] It is the result of a fact-finding exercise undertaken by Home Office officials earlier this year (see p 81) in response to anxieties expressed by groups concerned with the welfare of ethnic minorities. The report indicates that the incidence of racial attacks presents a significant problem. Compared with white people, both blacks and Asians suffer disproportionately from racially motivated attacks, and the Asians worst of all. However, extremist groups have not to any discernible extent been involved in planning or executing particular racial attacks, though they have exacerbated tensions within society. An especially disquieting feature is the way in which propaganda put out by these groups is being directed at young people.

In his foreword, Mr Whitelaw lays down the following lines of action to be pursued: collection at local level by the police, and by others with specific responsibilities in this field, of information about the incidence of racial attacks; better arrangements in all areas with significant ethnic minority populations for liaison between the police, local authorities and ethnic minority communities; training of police officers to enable them to develop greater sensitivity towards the phenomenon of racial attacks and their impact on minority communities; assistance to the police by ethnic minority groups with 'on the job' training for police officers, and with provision of opportunities for the police to explain matters of evidence and law to community leaders; the immediate and direct reporting to the police of all racial attacks; and finding ways to combat racialist activity and propaganda among young people, particularly in schools and at football grounds.

Mr Whitelaw adds that he does not intend to set up specialised police units to deal specifically with racial attacks. The Home Office, with the police, will continue to keep a close watch on the activities of extremist groups who stimulate and exploit racial tensions. In the last resort, Mr Whitelaw says, 'it is for the citizens of all races in this country to foster in the places where they live a spirit of racial harmony which will cause them to be shocked by all racially motivated attacks and to recognise them for what they are: wicked crimes which can do our society great harm'.

ANCIENT MONUMENTS AND HISTORIC BUILDINGS

A new executive agency to take over responsibility for the management of ancient monuments and the giving of grants for work on historic buildings in England has been suggested in a consultation paper published on 24 November.[1] The Government proposes to amalgamate the Ancient Monuments Board for England and the Historic Buildings Council for England into a new agency which would be responsible for managing, maintaining and staffing 400 monuments, making grants for the preservation of historic and ecclesiastical buildings and ancient monuments, consolidation and maintenance works, and sales of souvenirs and publications, together with publicity. The Government is inviting comments on whether the Royal Commission on Historical Monuments (England) should also be included in the new agency.

The consultation paper says that it is the Government's general aim to reduce the functions carried out by government departments where these could be carried out more effectively elsewhere. The creation of a new agency would place ancient monuments and historic buildings in a similar relationship to the Government as has proved effective with regard to museums and the arts, and create an organisation devoted entirely to buildings which are part of the national heritage. The Government considers that a more imaginative approach to promoting monuments could lead to much more income being generated, and it does not see the aim of improving the commercial management of ancient monuments as conflicting with the basic priority to preserve and protect monuments for future generations. It would be the responsibility of the new body to continue this work with the same care as before while providing better value and greater interest for visitors.

However, the paper identifies a number of functions which should remain within the direct responsibility of the Secretary of State for the Environment. These include: confirmation of decisions on listing and scheduling and on taking monuments into care, and approval of the agency's policy on standards of maintenance. There is no intention to transfer any of the Secretary of State's planning functions under the provisions of the Town and Country Planning Acts, nor would maintenance of the royal palaces and parks be transferred.

[The Government currently spends about £36 million a year on ancient monuments and historic buildings in England. There are 275,000 listed buildings and 12,500 scheduled monuments with special protection status. In addition, the Secretary of State may take monuments into his own care, thereby assuming responsibility for maintaining and preserving them and for providing the public with access to them. The Department of the Environment spends about £23 million a year on works to preserve and maintain monuments; in 1980, 10 million people visited the 400 monuments which are in the care of the Secretary of State. Income from entrance charges, sale of souvenirs and similar activities amounted to £7·5 million in that year.]

[1] *Racial Attacks*. Report of a Home Office Study. Available from Home Office Library, Room 1007, 50 Queen Anne's Gate, London SW1H 9AT. Unpriced.

[1] *Organisation of Ancient Monuments and Historic Buildings in England: A Consultation Paper*. HMSO, £1·50. ISBN 0 11 751596 5.

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United Kingdom Government Ministers. COI, No 61/81/3.

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Civil Service Statistics 1981. These statistics show that the number of civil servants fell by 12,500 between 1 January 1980 and 1 January 1981, when they numbered 695,100. This decrease follows the Government's decisions to increase efficiency and economy, to reduce manpower costs by an average of 2·5 per cent, and to reduce the size of the Civil Service to about 630,000 by April 1984. HMSO, £6. ISBN 0 11 630443 X.

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Prisons in Scotland. Report for 1980. Cmnd 8421. HMSO, £5·80. ISBN 0 10 184210 4.

Report of the Parole Board for Scotland. Report for 1980. HMSO, £2·70. ISBN 0 10 246981 4.

Reform of the Industrial Injuries Scheme. A White Paper published by the Department of Health and Social Security containing proposals for revising the industrial injuries benefits scheme. Among the changes proposed are: the withdrawal of injury benefit (claimants would in future receive sickness benefit, which is paid from the main national insurance scheme, for the first six months of incapacity); a revision of the conditions and levels of disablement benefit, which is paid thereafter; an extension of cover to include some industrial accidents which occur abroad; the integration of constant attendance allowance with the attendance allowance paid under the main social security scheme; and the withdrawal of some supplementary allowances. Cmnd 8402. HMSO, £3·05. ISBN 0 10 184020 9.

Reform of Mental Health Legislation A White Paper containing proposals for reforming the law governing the detention in hospital of mentally disordered patients. Cmnd 8405. HMSO, £2·65. ISBN 0 10 184050 0.

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Racial Attacks. Report of a Home Office Study (see p 380). Available from Home Office Library, Room 1007, 50 Queen Anne's Gate, London SW1H 9AT. Unpriced.

The Government's Reply to the Third Report from the Environment Committee, Session 1980-81. The Government rejects the underlying criticism of its housing policy by the Committee. It believes that public sector housing policy cannot be conducted in isolation from national economic considerations and that bringing the economy back onto a firm footing must take precedence. It has encouraged the private sector to play a much greater role and has laid a firm basis for a housing policy that takes account of the state of the economy, permits the maximum possible local discretion over investment decisions and caters for the clear housing preferences of individuals. Cmnd 8435. HMSO, £1·15. ISBN 0 10 184350 X.

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